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OFFERING MEMORANDUM

WELLINGTON MANAGEMENT FUNDS (LUXEMBOURG) II SICAV

Wellington Multi-Sector Credit Fund (*the "Fund"*)

Offering Memorandum, 1 July 2019

WELLINGTON MANAGEMENT FUNDS (LUXEMBOURG) II SICAV ("*Company*") is an open-ended investment company with variable capital (*société d'investissement à capital variable*) of the umbrella type. The Company is established under the Luxembourg law of 13 February 2007 on specialised investment funds as amended.

A consolidated offering memorandum of the Company, including all the individual offering memoranda of the funds of the Company, is available to the Shareholders.

No dealer, salesman or any other person is authorised to give any information or to make any representations other than those contained in this Offering Memorandum and the other documents referred herein in connection with the offer made hereby, and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or representatives of the Company.

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

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

If you are in any doubt about the contents of this Offering Memorandum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

The Shares of the Company (the “*Shares*”) may not be and will not be offered for sale or sold in the United States of America, its territories or possessions or to the “*United States Persons*” (as hereinafter defined), unless otherwise permitted by the Board of Directors in its sole discretion. The Articles of Incorporation of the Company contain certain restrictions on the sale and transfer of Shares to such persons and to certain other persons (see “*Restriction on Ownership and Transfer of Shares*” herein). Subscriptions for Shares are subject to acceptance by the Company.

Subscriptions are accepted on the basis of this Offering Memorandum and, where this is legally required, of the latest available annual report of the Company containing its audited accounts .

Notice regarding marketing in the European Economic Area (the “EEA”):

In relation to each member state of the EEA (each a “*Member State*”) which has implemented the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the “*AIFMD*”) (and for which transitional arrangements are not/no longer available), this Offering Memorandum may only be distributed and Shares may only be offered or placed in a Member State to the extent that this Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD (as implemented into the local law/regulation of the relevant Member State) and to the extent that such actions are permitted in the relevant Member State because they are at the initiative of the investor.

In relation to each Member State of the EEA which, at the date of this Offering Memorandum, has not implemented AIFMD, this Offering Memorandum may only be distributed and Shares may only be offered or placed to the extent that this Offering Memorandum may be lawfully distributed and the Shares may be lawfully offered or placed in that Member State (including at the initiative of the investor).

Notices to investors in Australia:

Wellington Management Australia Pty Ltd or its authorised representatives makes offers to Australian investors to arrange for the issue of Shares under this document by the Company. The Company will issue Shares under this document in accordance with such offers on receiving an application if it is accepted by the Company and the Registrar, and the Transfer Agent. The offer of Shares under this document is therefore made under an arrangement between the Company and Wellington Management Australia Pty Ltd pursuant to Section 911A(2)(b) of the Corporations Act.

The offer is a private solicitation of expressions of interest from Wholesale Investors (as defined in Section 761G(7) of the Corporations Act) and is available only to those investors. The private solicitation is an offer that does not need a Product Disclosure Statement (PDS). This offer is not made for the purpose of allowing all or any of the Shares to be subsequently offered for sale.

This document will not be lodged with the Australian Securities and Investment Commission and it does not contain all the information a PDS would contain. It should be read together with the Management Regulations for the Company, a copy of which is available by calling 612-8233-6400 from Wellington Management Australia Pty Ltd.

Prospective holders should not construe the contents of this document as legal, tax, investment or other advice. Each investor should make its own enquiries and consult its own advisors as to these matters. Prospective holders are urged to request any additional information they may consider necessary or desirable in making an informed investment decision.

To the maximum extent permitted by Law, the Company, Wellington Management Australia Pty Ltd and their related entities do not make any representation nor give any guarantee as to the performance of the investment or any particular return.

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COMPANY

WELLINGTON MANAGEMENT FUNDS
(LUXEMBOURG) II SICAV
with registered office at
33, Avenue de la Liberté
L - 1931 Luxembourg

**MEMBERS OF THE BOARD OF
DIRECTORS OF THE COMPANY**

Alan J. Brody
New York, NY, USA

Guillermo Trinchet Maymir
Director Wellington Funds Group Risk
Management
WELLINGTON MANAGEMENT COMPANY
Boston, MA, USA

Michael J. McKenna
Director International Tax
WELLINGTON MANAGEMENT
INTERNATIONAL LTD
London, UK

**DEPOSITARY-
ADMINISTRATION, REGISTRAR AND
TRANSFER AGENT, AND PAYING
AGENT**

STATE STREET BANK LUXEMBOURG S.C.A.
49, Avenue J.F. Kennedy
L-1855 Luxembourg

**ALTERNATIVE INVESTMENT FUND
MANAGER OR AIFM**

WELLINGTON LUXEMBOURG S.à r.l.
with registered office at
33, Avenue de la Liberté
L - 1931 Luxembourg

INVESTMENT MANAGER

WELLINGTON MANAGEMENT COMPANY
LLP
with registered address at
251 Little Falls Drive,
Wilmington, Delaware 19808, USA
with business address at
280 Congress Street
Boston, MA 02210, USA

DISTRIBUTOR

WELLINGTON GLOBAL ADMINISTRATOR,
LTD
Clarendon House
2 Church Street
P.O. Box HM, 666
Hamilton, HMCX
Bermuda

LEGAL ADVISORS

ARENDT & MEDERNACH S.A.
41A, Avenue J.F. Kennedy
L - 2082 Luxembourg

AUDITOR OF THE COMPANY

PRICEWATERHOUSECOOPERS, *Société
coopérative*
2, rue Gerhard Mercator
B.P. 1443
L - 1014 Luxembourg

SUMMARY OF THE OFFERING

The following is a summary of the more detailed information contained elsewhere in this Offering Memorandum and is qualified in its entirety by reference to such information.

The Company	Wellington Management Funds (Luxembourg) II SICAV (the “ <i>Company</i> ”) is an open-ended investment fund organised under the Luxembourg law of 13 February 2007 on specialised investment funds, as amended from time to time and qualifies as an alternative investment fund (the “ <i>AIF</i> ”) pursuant to the law of 12 July 2013 on alternative investment fund managers (the “ <i>AIFM Law</i> ”) and the Directive (2011/61/EU) of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1905/2010 (the “ <i>AIFMD</i> ”). The Company is an investment company with variable capital (<i>société d’investissement à capital variable</i>) of the umbrella type and was incorporated in Luxembourg on 23 March 2007 for an unlimited period.
Investment Objective	The investment objective of the Wellington Multi-Sector Credit Fund (the “ <i>Fund</i> ”) is to seek long term total returns.
Alternative Investment Fund Manager or AIFM	Wellington Luxembourg S.à r.l., a <i>société à responsabilité limitée</i> organised in 1991 under the laws of the Grand Duchy of Luxembourg, serves as alternative investment fund manager to the Fund.
Investment Manager	Wellington Management Company LLP, a limited liability partnership organised in 2014 under the laws of the State of Delaware, U.S.A., serves as investment manager to the Fund.
The Offering	The Company offers Class S Shares, Class D Shares, Class N Shares, Class UN, Class UD and Class T Shares of the Fund (each a “ <i>Class</i> ” and together the “ <i>Classes</i> ”). The Company offers Shares of the Fund in the following denomination currencies: US Dollar (USD), Great Britain Pound (GBP), Canadian Dollar (CAD), Swiss Franc (CHF), Euro (EUR), Norwegian Kronor (NOK), Japanese Yen (JPY), Singapore Dollar (SGD), Swedish Kronor (SEK), New Zealand Dollar (NZD), Australian Dollar (AUD) and Hong Kong Dollar (HKD). Share Classes may be offered as hedged (the “ <i>Hedged Share Class</i> ”) or unhedged. In addition, the Fund offers certain Share Classes that are eligible for distributions as determined by the Board of Directors (the “ <i>Distributing Share Classes</i> ”); all other Share Classes accumulate income and make no current distributions (the “ <i>Accumulating Share Classes</i> ”).
Base Currency	US Dollar.
Valuation Date	The Fund will be valued as of the close of business on the relevant Business Day.
Dealing Day	The Fund is open for dealing on each Business Day.
Business Day	The Fund will operate on any day that US Federal banks and the New York Stock Exchange are open for business except for: <ul style="list-style-type: none"> a) Easter Monday b) 1st May c) the weekday prior to and following Christmas Day as observed by

- d) the New York Stock Exchange
such other days as the AIFM may from time to time determine.

A list of the non-Business Days is available from the Transfer Agent. Please note that this list will be kept up to date and may change from time to time.

Order Deadlines	Subscription, redemption or conversion orders must be received by 3:00 p.m. Luxembourg time one Business Day before the relevant Dealing Day (the " Order Cut-Off Time "). If such a day is not a Business Day, then subscription requests must be received by the prior Business Day. All transactions will be executed at the net asset value (the " Net Asset Value ") (subject to adjustments discussed below) of the relevant Share Class calculated on the Dealing Day, provided that the transaction request is received in good order.
Payment Deadlines	Payment is due no later than the second Business Day (T+2) following the Dealing Day on which the Shares were purchased or such other time as will be established by the Board of Directors from time to time (the " Payment Deadline "). For payment of redemption proceeds it means a date usually within seven Business Days (T+7) of the processing of the redemption request.
Risk Factors	Investment in the Fund involves a certain degree of risk. See the risk section of this Offering Memorandum.
Investment Management Fee	Class S, Class D and Class N Shares are subject to an annual Investment Management Fee of 0.45% of the Fund's net assets. Class UD and Class UN Shares are subject to an annual Investment Management Fee up to 0.45% of the Fund's net assets.
Distribution Fee	Class D and Class UD Shares are subject to a Distribution Fee at an annual rate of 0.45% of Class D and Class UD net assets.
Information to Shareholders	<p>The annual audited report will be available to Shareholders at the registered office of the Company and of the Registrar and Transfer Agent within six months of the close of the financial year. Other information on the Company as well as on the Net Asset Value, and the issue, conversion and redemption prices of the Company's Shares, may be obtained on any Luxembourg bank working day at the registered office of the Company, the AIFM and of the Registrar and Transfer Agent. Further, information on the latest price of Shares can be found at the website set forth in the Fund-specific informational documents which are regularly updated (the "Fact Sheets"), and historical performance of the Fund will also be made available in these Fact Sheets. The Fact Sheets will be made available to all Shareholders before they invest in the Fund, and from time to time after an investment is made, through the Investment Manager's reporting website InSite (the "InSite") and/or by email. Please also refer below to the section "Information to Shareholders" of this Offering Memorandum.</p> <p>Information about the Company and its funds is provided to Shareholders listed on the Company's register.</p>
CIBM	Means the China Interbank Bond Market which is an OTC fixed income market established in the PRC in 1997. On the CIBM, institutional investors (including domestic and overseas institutional investors) trade sovereign, government and corporate bonds.

Bond Connect

Means the mutual bond market access program between Hong Kong and PRC, established by China Foreign Exchange Trade System (CFETS) & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House (together, the “Mainland Financial Infrastructure Institutions”), and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit (CMU) (together, the “Hong Kong Financial Infrastructure Institutions”), through which overseas institutional investors can invest in fixed income securities traded on the China Interbank Bond Market.

THE COMPANY

WELLINGTON MANAGEMENT FUNDS (LUXEMBOURG) II SICAV (the “*Company*”) is an open-ended investment fund organised under the Luxembourg law of 13 February 2007 (the “*2007 Law*”) on specialised investment funds as amended from time to time, and qualifies as an alternative investment fund (the “*AIF*”) pursuant to the law of 12 July 2013 on alternative investment fund managers (the “*AIFM Law*”) and the AIFMD. The Company is an investment company with variable capital (*société d’investissement à capital variable*) of the umbrella type and was incorporated in Luxembourg on 23 March 2007 for an unlimited period. The Articles of Incorporation of the Company (the “*Articles of Incorporation*”) were published in the *Mémorial C, Recueil des Sociétés et Associations* (the “*Mémorial*”) on 14 June 2007 and have been amended for the last time on 16 April 2018. The Company is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B 127.005.

The Company is established as an umbrella structure. This Offering Memorandum describes the general features of the Company as well as the specifics of the Wellington Multi-Sector Credit Fund (the “*Fund*”). The details of other funds of the Company are described in the consolidated version of the Offering Memorandum of the Company and in separate offering memoranda.

WELLINGTON LUXEMBOURG S.à r.l. of Luxembourg, Grand Duchy of Luxembourg, serves as the Alternative Investment Fund Manager of the Company.

WELLINGTON MANAGEMENT COMPANY LLP of Wilmington, Delaware, U.S.A. serves as the Investment Manager of the Company.

WELLINGTON GLOBAL ADMINISTRATOR, LTD. of Hamilton Bermuda serves as the Distributor of the Company.

STATE STREET BANK LUXEMBOURG S.C.A. serves as depositary, administration agent, registrar and transfer agent and paying agent of the Company.

The independent auditor of the Company (*réviseur d’entreprises*) is PRICEWATERHOUSECOOPERS, *Société coopérative*.

This Offering Memorandum constitutes an offer of permanent subscription to Shares in the Company.

The sale of the Shares is reserved to Well-Informed Investors within the meaning of the 2007 Law and the Company will refuse to issue Shares to the extent the legal or beneficial ownership thereof would belong to persons or companies which cannot be qualified as such investors. Furthermore, the board of directors of the Company (the “*Board of Directors*”) will refuse to make any transfer of Shares to the extent that such transfer would result in the legal or beneficial ownership of such Shares to a non-Well-Informed Investor. The Board of Directors, at its sole discretion, may refuse the issue or the transfer of Shares if there exists no sufficient evidence that the person or company to which the Shares should be issued or transferred is a Well-Informed Investor within the meaning of the 2007 Law. In order to determine whether a purchaser or transferee (including any beneficial owner thereof) of Shares may be qualified as a Well-Informed Investor, the Board of Directors will refer to the definition hereinafter and to the recommendations made by the competent regulatory authority in Luxembourg in relation thereto.

A Well-Informed Investor shall be defined as either an institutional investor, professional investor and any other natural person who fulfils the following conditions: (i) adheres in writing to the status of Well-Informed Investor and either (ii) invests a minimum of €125,000 in the Company or (iii) benefits from a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, an investment firm within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2001/107/EC stating that he or she is competent, experienced and informed enough to appreciate in an adequate manner an investment in a specialised fund.

Generally, the Board of Directors may at its sole discretion, reject any application for subscription or transfer of Shares and proceed, at any time, to the compulsory redemption of all the Shares legally or beneficially owned by a non-Well-Informed Investor.

The Company is organised as an umbrella fund. The Company's Articles of Incorporation allow the Board of Directors to open different funds. The particular characteristics of the Shares of each fund, as well as the investment objectives, policies and techniques of each fund, are determined by the Board of Directors and described in separate offering memoranda.

The Board of Directors is empowered to establish new funds and dissolve existing ones at any time by informing the Shareholders. Upon the creation of new funds, the offering memorandum shall be amended accordingly and/or an addendum to this Offering Memorandum or a separate Offering Memorandum shall be issued.

The Company is unlimited in duration and shall have total net assets which may not be less than €1,250,000 or its equivalent in a foreign currency. Its financial year starts on 1 October and ends on the last day of September.

Shares issued with respect to any fund may be divided into separate Classes, with each such Class representing an interest in the underlying net assets of the fund, but with such additional rights, liabilities or other characteristics as are established specifically with respect to such Class.

The Company has legal personality under Luxembourg Law. Each fund shall be treated as a separate entity for purposes of segregating income, expenses, assets, and liabilities. Each fund is only liable for its own debts and obligations. The liability of any Shareholder is limited to the Shares it holds in a fund.

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The investment objective of the Fund is to seek long term total returns.

Investment Policies

The Investment Manager will actively manage the Fund, seeking to achieve the objective by allocating its assets across a broadly diversified portfolio of credit instruments.

The Fund will invest primarily in high-yielding sectors of the credit market, such as emerging market debt, high yield debt, and bank loans (sometimes referred to as senior floating rate loans or leveraged loans, but referred to herein as "bank loans"), but may also invest in any debt obligation approved by the Investment Manager's credit research process and deemed to be consistent with the investment objectives of the Fund. The Fund's exposure to bank loans will generally be through assignment of credit agreements or (to a lesser extent) through loan participations.

The securities the Fund may invest in include, but are not limited to, securities issued by corporate, governmental (including municipal and agency) and supranational entities located around the world; bank loans; mortgage securities (including CMOs, whole loans, and CMBS); agency mortgage-backed securities; asset-backed securities; inflation-linked bonds; credit-linked notes and structured notes; repurchase and reverse repurchase agreements; preferred securities; loan participation notes (the "*LPNs*"); real estate investment trust (the "*REIT*") debt; convertible bonds; fixed income exchange traded funds (the "*ETFs*"); and short term instruments including cash and cash equivalents. Further, the Fund may invest in non-US Dollar denominated debt, unsecured debt, and subordinated debt (including capital and contingent capital securities). Aside from as set forth herein, equities and warrants will not be purchased directly and the Fund will only hold these securities if received as part of a restructuring or as the result of a conversion of a hybrid security.

The Fund may hold private placements, including those issued pursuant to Rule 144A and/or Regulation S, bank loans, trade finance loans, and other restricted securities, the liquidity of which the Investment Manager deems consistent with the Fund's investment objective.

The Fund may invest up to 10% of net assets in securities traded in China via Bond Connect (see also "Risks linked with dealing in securities in China via Bond Connect").

The Fund may invest in commingled pool vehicles offered by Wellington Management and its affiliates, as deemed by the Fund manager to be consistent with the investment objective. Such investments may accrue operating expenses internal to their NAVs, and such accruals are separate from and in addition to the operating expenses the Fund.

To the extent the Fund invests in ETFs or other commingled vehicles managed by a third party, the Fund will bear the management fees, performance fees (if any) and operating expenses charged by the commingled vehicle(s).

The Fund may not invest more than 5% of its net assets in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including bond futures; currency, interest rate, total rate of return, and credit default swaps; currency, bond, and swap options; deliverable and non-deliverable currency forward contracts; and other derivative instruments to enhance Fund management efficiency, and may hold short positions in these instruments for hedging purposes and otherwise in pursuit of the Fund's investment objective. The Fund will not engage in short sales of individual securities. For the avoidance of doubt, this restriction does not apply to derivatives or to certain transactions structured by the Investment Manager to provide a similar exposure to that obtained through derivatives (for example, combining a sell transaction with a reverse repurchase (buy-sell back) transaction to simulate a forward contract on a debt security).

The Fund has defined procedures to ensure the transparency of valuation, specifically in the event that the Fund invests in securities which do not have readily available market quotations.

The average duration of the Fund will generally range between 2-6 years. The average credit quality of the Fund generally will be BB/B- defined by using the highest long-term ratings of the Nationally Recognised Statistical Ratings Organisations (the "NRSROs"). If an issue is unrated, then an equivalent credit rating, as deemed by Wellington Management, may be used.

Active currency management will be permitted. The Fund will be denominated in the base currency, but currency exposure will be taken on an opportunistic basis. Currency exposure including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, may be assumed.

The Fund will not borrow, except where such borrowings are required only on a temporary or emergency basis such as a redemption or a merger.

The Fund must comply with rules and restrictions broadly applicable to Luxembourg specialised investment funds. As such, the Fund may not in principle invest more than 30% of its assets or of its commitments to subscribe in securities of the same kind issued by the same issuer (this restriction does not apply to (i) investments in securities issued or guaranteed by a member state of the OECD, or by its local authorities or by supranational institutions and bodies of a European, regional or worldwide nature, (ii) investments in target funds which are subject to risk diversification requirements at least similar to those provided for in relation to the Fund). For the application of this restriction, each sub-fund of a target fund with an umbrella structure is to be considered as a separate issuer, provided that sub-fund commitments to third parties are segregated. Further, short sales may not in principle have as a result that the Fund holds a short position in securities of the same kind issued by the same issuer which represent more than 30% of its assets. Finally, when using

derivative instruments, the Fund must ensure risk diversification comparable to the above by means of an appropriate diversification of the underlying assets. For this purpose, the counterparty risk in relation to OTC derivatives must be limited according to the quality and the qualification of the counterparty.

The Net Asset Value of the Fund may experience high volatility from time to time.

Changes to Investment Objectives and Investment Policies

The Investment Objective and Investment Policy of the Fund are determined by the Board of Directors, in consultation with the AIFM and/or the Investment Manager, and are disclosed in this Offering Memorandum. The Board of Directors must approve any changes to this Offering Memorandum, including any changes to the Investment Objective, Investment Policy and Investment Restrictions as set out in this Offering Memorandum. Furthermore, any changes to this Offering Memorandum require CSSF approval and the CSSF may direct that at least a one month notice period be given to all Shareholders in order to allow Shareholders to redeem from the Fund or, whenever possible, to convert their Shares in Shares of the same or another Class in a different Fund, without penalty prior to a proposed change taking effect, if it considers the change to have a potentially material impact on Shareholders. The Offering Memorandum will be updated to reflect the modifications decided by the Board of Directors.

Use of leverage

Within the meaning of the AIFMD, “*leverage*” is any method by which the Board of Directors or the AIFM (or the Investment Manager on their behalf), as the case may be, increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means.

The Fund may employ leverage in circumstances where the Investment Manager deems it appropriate to do so in order to implement the investment approach and to achieve the investment objective.

The Fund will only borrow cash from the Depository from time to time on a temporary basis, such as to satisfy securities settlement or Shareholder redemption requests. The Fund is not permitted to borrow for investment purposes. The Fund is not permitted to engage in short sales of individual securities, for the avoidance of doubt; this restriction does not apply to derivatives or to certain transactions structured by the Investment Manager to provide a similar exposure to that obtained through derivatives (for example, combining a sell transaction with a reverse repurchase (buy-sell back) transaction to simulate a forward contract on a debt security).

The Fund may incur leverage by borrowing as described above, and/or through the use of derivatives, repurchase transactions, and other non-fully funded instruments. In each case, leverage may be obtained on an unsecured or secured, or an uncollateralised or collateralised, basis. Leverage obtained through borrowing is obtained from the relevant lender (and may be limited if the relevant lender is unwilling or unable to lend). Leverage obtained through the use of derivatives and other non-fully funded instruments is obtained from the relevant counterparty (and may be limited if a counterparty is unwilling to accept the terms of a proposed investment).

The leverage of the Fund is managed and monitored by the AIFM on a frequent basis. It is expected that the Fund’s leverage will not exceed 600% of the Net Asset Value of the Fund calculated using the gross method. The gross leverage figure is calculated as the sum of the absolute value of all positions of the Fund in accordance with the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD with regards to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the “*AIFMR*”). This calculation includes the underlying investments of the Fund which make up to 100% of total net assets and the notional exposure associated with derivatives.

In particular, the above figure also includes Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for derivative roll overs involving positions being closed out against equal

and opposite trades.

Where derivatives are used for hedging or netting purposes or are themselves hedged against equal and opposite trades, the sum of the absolute value of all positions may not reflect the true economic risk of the Fund. If the expected level of leverage were calculated on this basis (e.g. the commitment method) in accordance with AIFMR, the level of leverage would be expected to be lower and generally around 350% of the Net Asset Value of the Fund.

Securities Financing Transactions

The Company is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and reuse and amending Regulation (EU) No 648/2012, the “*SFTR*”). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions (the “*SFTs*”) and total return swaps, as set out below.

The types of SFTs the Fund may use consists of repurchase or reverse-repurchase transactions, buy-sell back or sell-buy back transactions and securities lending or borrowing transactions. The Fund may use SFTs and total return swaps for efficient portfolio management purposes and/or investment purposes, in accordance with the Fund’s investment objective and policy.

Any assets of the Fund may be the subject of such SFTs and total return swaps. The maximum and expected proportion of each Fund’s assets which may be subject to SFT(s) and total return swaps, expressed as a percentage of the Net Asset Value, is set out in the table below:

Fund	Securities lending	Repurchase and reverse-repurchase transactions	Total return swaps
Wellington Multi-Sector Credit Fund	Maximum: 0% Expected: 0%	Maximum: 50% Expected: 35%	Maximum: 40% Expected: 25%

The proportions set out in the table above may be amended by the AIFM from time to time. In such case, this Offering Memorandum will be updated.

The AIFM will also ensure that the counterparty is a credit institution which either has its registered office in an EU Member State or is subject to prudential rules considered by the Luxembourg regulatory authority as equivalent to those laid down in EU law, or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State, or an entity subject to regulation as a Consolidated Supervised Entity (the “*CSE*”) by the US Securities and Exchange Commission.

The types of acceptable collateral received by the Fund in respect of SFTs, total return swaps and other derivatives are:

- (a) Liquid assets: includes cash, short term bank certificates and money market instruments. 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 European Union, regional or world-wide scope.
- (c) Shares or units issued by money market funds calculating a daily net asset value and assigned a rating of AAA or its equivalent.
- (d) Shares or units issued by funds authorised under the UCITS Directive (Directive 2009/65/EC) 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 an EU member state or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

Collateral received should be valued on at least a daily basis using available market prices and taking into account appropriate haircuts for each asset class. The Fund does not always require collateral of 100% of the exposure to the counterparty but instead will require collateral where the exposure to the counterparty has reached a minimum threshold level. That minimum threshold level will be determined by the Investment Manager on a counterparty by counterparty basis and will depend on many factors including applicable legal requirements and the credit quality of the counterparty. Daily variation margins will be used if and to the extent required by regulation or otherwise agreed with the counterparty or broker.

Collateral posted in favour of the 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 the 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.

The section of this Offering Memorandum entitled “Collateral Management and Reuse” sets out circumstances where the Fund can reuse collateral.

The section of this Offering Memorandum entitled “Risk Factors” provides a description of the risks associated with the use of SFTs and total return swaps and other derivatives.

Direct and indirect operational costs and fees incurred in the use of SFTs may be deducted from the revenue delivered to the Fund from the use of such techniques. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive reimbursements for costs or fees for techniques of this type. All of the revenues arising from total return swaps, net of direct and indirect financing costs, will be retained by the Fund.

Benchmark Regulation

The Benchmark Regulation¹ entered into force in June 2016 and became fully applicable in the EU since 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', took effect as at 30 June 2016), subject to certain transitional provisions. The Benchmark Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. It, among other things, (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibits the use in the EU of benchmarks provided by EU administrators which are not

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

authorised or registered in accordance with the Benchmark Regulation, and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the Benchmark Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

As required by the Benchmark Regulation the AIFM maintains a contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the Benchmark Regulation) materially changes or ceases to be provided. A copy of the benchmark contingency policy is available free of charge from the AIFM at its registered address.

The AIFM is required under the Benchmark Regulations to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by the European Securities and Markets Authority, pursuant to Article 36 of the Benchmarks Regulation.

Fund Name	Benchmark	Benchmark Administrator	Benchmark Administrator Registered	Use of the Benchmark
Wellington Multi-Sector Credit Fund	N/A	N/A	N/A	N/A

The abovementioned benchmark administrators which are not yet registered benefit from a transition period until 1 January 2020 to register as administrators.

Cluster Munitions

Luxembourg approved and implemented the United Nations Convention on Cluster Munitions through the Law of 4 June 2009. Pursuant to the Law of 4 June 2009 it is prohibited for all legal persons or businesses or corporate entities to knowingly finance cluster munitions. Accordingly, the Board of Directors has adopted a policy designed to prohibit the investment by the Company in companies whose business involves the manufacture of cluster munitions or sub-munitions.

RISK FACTORS

General

An investment in the Fund is a speculative investment and is not intended as a complete investment program. Investment in the Fund is suitable only for persons who can bear the economic risk of the loss of their investment, and who meet the conditions set forth in this Offering Memorandum and the Account Opening Agreement. There can be no assurances that the Fund will achieve its investment objective. The Net Asset Value of the Shares of the Fund will fluctuate, and may be worth more or less than the acquisition price when redeemed or sold. Investment in the Fund involves significant risks and while the following summary of certain of these risks should be carefully evaluated before making an investment in the Fund, the following does not intend to describe all possible risks of such an investment.

Bank Loans

Bank loans, which may bear fixed or floating rates, are generally arranged through private negotiations between a corporate borrower and one or more lenders, including banks. A loan is often administered by a bank or other financial institution that acts as agent for all holders, and an investor may not have direct recourse against a borrower (in which case the investor must rely on the agent to apply appropriate remedies). An investment in a bank loan may be in the form of a participation in a loan or an assignment of all or a portion of a loan by a third party. Both forms of investment in bank loans involve risks of nonpayment of principal and interest by the borrower, loan collateral impairment, and illiquidity.

Participation in a bank loan gives the holder the right to receive payments of principal, interest and any fees only from the lender selling the participation and only upon receipt by the lender of payments from the borrower. In connection with purchasing participations, an investor will generally have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan, and the investor may not benefit directly from any collateral supporting the loan in which it has purchased the participation. Thus, the investor assumes the credit risk of both the borrower and the lender that is selling the participation. Further, the investor will have no role in negotiating or effecting amendments, waivers, and consents with respect to the loans underlying the participations. In the event of an insolvency of the lender, the investor may be treated as a general creditor of the lender and may not benefit from any set off between the lender and the borrower.

The rights and obligations acquired through the purchase of an assignment may differ from, and be more limited than, those held by the selling institution. Assignments are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties to the purchaser about the underlying loan, the borrowers, the documentation of the loans, or any collateral securing the loans. Investments in loans through direct assignment may involve additional risks. For example, if a loan is foreclosed, the investor could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that the investor could be held liable as a co-lender.

Interests in loans are also subject to additional liquidity risks. Loans are generally subject to legal or contractual restrictions on resale. Loans are not currently listed on any securities exchange or automatic quotation system, but are traded by banks and other institutional investors engaged in loan syndication. As a result, no active market may exist for some loans, and to the extent a secondary market exists for other loans, that market may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods.

Investments in bank loans can give rise to complex tax issues in certain jurisdictions, including the U.S., where in certain circumstances the Fund may be treated as engaged in a U.S. trade or business and taxed accordingly on earnings/gains from U.S. bank loans.

Below-Investment Grade Securities

Debt obligations rated below investment grade, or unrated securities of comparable quality are considered by credit rating agencies to be speculative and carry a high level of risk. Most of the Fund's investments will be below investment grade. Lower-rated securities have a significantly greater risk of default in payments of interest and/or principal than the risk of default for investment grade securities. Issuer of lower rated securities generally present a higher risk of bankruptcy or reorganisation than issuers of investment grade securities, or may have recently been in bankruptcy or reorganisation proceedings. These issuers may be particularly susceptible to economic downturns.

The secondary market for lower-rated securities is typically much less liquid than the market for investment grade securities, frequently with significantly more volatile prices and larger spreads between bid and ask price in trading. The market price of lower rated securities will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments.

In addition to credit risk and liquidity risk concerns, the market price of lower rated securities in particular may be adversely affected by legislative or regulatory developments, such as changes in rules regarding taxation, corporate reorganisations or divestiture.

Collateral reuse risk

Where the Fund reinvests collateral it receives from a counterparty under a trading agreement, there is a risk that such collateral reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn, may cause losses to the Fund because it is obliged to return collateral to the counterparty.

Where the Fund provides collateral under a trading agreement to a counterparty and that counterparty exercises a right of reuse of that collateral, the Fund will be subject to the following collateral re-use risks and consequences:

- its rights, including any proprietary rights, in that collateral will be replaced by an unsecured contractual claim for delivery of equivalent collateral subject to the terms of the relevant collateral arrangement;
- the collateral may not be held by the counterparty in accordance with client asset rules, and may not benefit from any client asset protection rights;
- in the event of the counterparty's insolvency or default, the Fund's claim against the counterparty for delivery of equivalent collateral may not be secured and will be subject to the terms of the relevant collateral arrangement and applicable law and, accordingly, the Fund may not receive such equivalent collateral or recover the full value of the financial instruments;
- in the event that the counterparty is not able to readily obtain equivalent collateral to deliver to the Fund at the time required: the Fund may be unable to fulfil its settlement obligations under a hedging or other transaction it has entered into in relation to those particular collateral assets.

Counterparty and Settlement Risk

To the extent the Fund invests in swaps, derivative or synthetic instruments, repurchase agreements, other over-the-counter transactions or engages in securities lending, in certain circumstances, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund and hence the Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this and there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

Bank loans in particular present additional settlement risk, as they generally take much longer to settle than other corporate debt securities.

Credit Derivatives

The Fund has the ability to buy or sell credit derivatives, examples of which include credit default swap agreements and credit-linked notes. Credit derivatives are contracts that transfer price, spread and/or default

risks of debt and other instruments from one party to another. Such instruments may include one or more debtors. Payments under credit derivatives may be made during the exercise period of the contracts. Payments under many credit derivatives are triggered by credit events such as bankruptcy, default, restructuring, failure to pay, cross default or acceleration, etc. Such payments may be for notional amounts, actual losses or amounts determined by formula.

A credit default swap agreement is structured as a swap agreement. The “buyer” in a credit default swap agreement is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified restructuring. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the “par value” (full notional value) of the reference obligation.

The contingent payment may be a cash settlement or by a physical delivery of the reference obligation in return for payment of the face amount of the obligation. The Fund may be either the buyer or seller in the transaction. If the Fund is a buyer and no credit event occurs, the Fund may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and several years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation. A credit-linked note is a security that is structured by embedding a credit default swap agreement in a funded asset to form an investment that has credit risk and cash flow characteristics resembling a bond or a loan.

The market for credit derivatives may be illiquid and there are considerable risks that it may be difficult to either buy or sell the instruments as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay.

There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

The value of a credit derivative instrument depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to trading derivatives related to such asset.

Cross Liability Risk

The Company is structured as an umbrella fund with segregated liability between its funds. As a matter of Luxembourg law, the assets of one Fund will not be available to meet the liabilities of another. However, the umbrella fund is a single entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability. As at the date of this Offering Memorandum, the Directors are not aware of any such existing or contingent liability.

Currency Risks

Because the Fund may invest in securities and hold active currency positions that are denominated in currencies other than its Base Currency, the Fund may be exposed to currency exchange risk. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund’s investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by government or central banks, or by currency controls or political developments.

Each of the Hedged Share Classes will be hedged to the currency in which it is denominated, which will subject such Shares to liabilities related to the respective Class's effort to hedge against adverse fluctuation in currency exchange rates against the relevant denomination currency. Under certain market conditions, the Fund may be unable to hedge effectively against certain currencies or against long-term fluctuations in currency exchange rates. Moreover, there will be performance dispersion amongst the returns of the hedged and unhedged Share Classes, which at certain times may be significant. The use of Class hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting if the Class currency falls against the Base Currency of the Fund.

Custody Risk

The Depositary may appoint sub-custodians in certain jurisdictions to hold the assets of the Fund. The Depositary may not be responsible for cash or assets which are held by sub-custodians in certain jurisdictions, nor for any losses suffered by the Fund as a result of the bankruptcy or insolvency of any such sub-custodian. The Fund may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections which would normally be provided to a fund by a custodian will not be available to the Fund. Custody services in certain jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain jurisdictions, the ability of the Fund to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy would be in doubt.

Cyber Security Risk

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

Debt Securities

The Fund will invest in fixed income securities and other debt securities. These securities are subject to many risk factors, including economic conditions, government regulations, market sentiment, and local and international political events. In addition, the market value of these securities will fluctuate in response to changes in interest rates, currency values and the creditworthiness of the issuer (all as described further herein). Certain of these securities may be unrated by a recognised credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured by substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

Depository Risks in Emerging Market Countries

Investments in emerging market countries are subject to an increased risk in relation to the ownership and custody of transferable securities. Generally, investments in emerging market countries involve greater risks due to the lack of an appropriate system for the transfer, price calculation and accounting of the transferable securities and to their custody and record keeping.

Derivative Instruments Generally

The Fund may invest in derivative instruments. Generally, derivatives can be characterised as financial instruments whose performance is derived, at least in part, from the performance of an underlying asset or assets. Derivative instruments may be used for a variety of reasons, including to an effort to enhance return, gain exposure to certain asset types, hedge certain market risks, or provide a substitute for purchasing or selling particular securities. Derivatives may provide a cheaper, quicker or more specifically focused way for the Fund to invest than "traditional" securities or other investments would. The Fund's commodity exposure will be gained via investments primarily in commodity-related instruments, which include, but are not limited to, individual commodity futures, commodity index futures, options, exchange-traded funds (ETFs), forwards, swaps (on individual commodities or commodity indexes), structured notes, other exchange-traded and over-the-counter derivative instruments, and equity securities that provide direct exposure to commodity prices, all as deemed by the Investment Manager to be consistent with the investment objective.

Derivatives can be volatile and involve various degrees of risk, depending upon the characteristics of the particular derivative and the Fund as a whole. Derivatives may permit the Fund to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Fund can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities. Other risks that derivative instruments in general have include imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or illiquidity of the derivative instruments.

Furthermore, the ability to successfully use derivative instruments may be more dependent on the Investment Manager's ability to predict pertinent market movements than other investments. Thus, the use of derivative instruments may result in losses greater than if they had not been used, may require the Fund to sell or purchase portfolio investments at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security or other investment that it might otherwise sell. Additionally, amounts paid by the Fund as premiums and cash or other assets held in margin accounts with respect to derivative instruments are not otherwise available to the Fund for investment purposes.

Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as over-the-counter derivatives. Where exchange-traded derivatives are entered into, a central clearing counterparty (CCP) stands between over-the-counter (OTC) derivatives counterparties, helping to mitigate losses suffered from each other's default. Counterparties are required to exchange margin in order to reduce overall credit risk. Effective clearing seeks to mitigate systemic risk by lowering the risk that defaults propagate from counterparty to counterparty. However, the extent to which CCPs mitigate the likelihood and severity of knock-on defaults that propagate from the failure of a large counterparty is unclear.

By contrast, most over-the-counter derivatives are not currently cleared through CCPs and the Fund will be exposed to the credit risk of its counterparties and their ability to meet the terms of such contracts. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights.

Over-the-counter derivatives may be less liquid than exchange-traded derivatives since the other party to the transaction may be the only investor with sufficient understanding of the derivative to be interested in bidding for it.

There has been an international effort to increase the stability of the over-the-counter derivatives market in response to the recent financial crisis. In the United States, the Dodd-Frank Act includes provisions that comprehensively regulate the over-the-counter derivatives markets. In Europe, the European Parliament has adopted EMIR, a regulation on over-the-counter derivatives, central counterparties and trade repositories, which also comprehensively regulates the over-the-counter derivatives markets. These regulations will impose compliance costs on the Fund. They will also increase the dealers' costs, which are expected to be passed through to other market participants in the form of higher fees and less favourable dealer marks. They may also render certain strategies in which the Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. The overall impact of these regulations on the Fund is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime.

One of the changes required by Dodd-Frank and EMIR is that certain types of over-the-counter derivatives are subject to mandatory clearing. As stated above, where clearing takes place, a central counterparty (CCP) stands between over-the-counter derivatives counterparties, helping to insulate them from each other's default. Effective clearing seeks to mitigate systemic risk by lowering the risk that defaults propagate from counterparty to counterparty. However, the extent to which CCPs mitigate the likelihood and severity of knock-on defaults that propagate from the failure of a large counterparty is unclear.

The Fund's investments in derivatives may subject the Fund to greater volatility than investments in traditional securities, commodities or other investments. The value of derivative instruments may be affected by changes in overall market movements, index volatility, changes in interest rates, or factors affecting a particular industry or region, such as embargoes, tariffs and economic, political and regulatory developments.

Duration Risk

Duration is a measure of the expected life of a debt obligation on a present value basis. Duration takes the length of the time intervals between the present time and the time that the interest and principal payments are scheduled or, the case of a callable bond, the time the principal payments are expected to be received, and weights them by the present values of the cash to be received at each future point of time. For debt obligations with interest payments occurring prior to the payment of principal, duration will usually be less than maturity. In general, all else being equal, the lower the stated or coupon rate of the interest of a fixed income security, the longer the duration of the security; conversely, the higher the stated or coupon rate of a fixed income security, the shorter the duration of the security.

Holding long futures or call option positions will lengthen the duration of a Fund's portfolio. Holding short futures or put options will shorten the duration of a Fund's portfolio. A swap agreement on an asset or group

of assets may affect the duration of the portfolio depending on the attributes of the swap. For example, if the swap agreement provides a Fund with a floating rate of return in exchange for a fixed rate of return, the duration of the portfolio would be modified to reflect the duration attributes of a similar security that the fund is permitted to buy. There are some situations where even the standard duration calculation does not properly reflect the interest rate exposure of a security. For example, floating and variable rate securities often have final maturities of ten or more years; however, their interest rate exposure corresponds to the frequency of the coupon reset. Another example where the interest rate exposure is not properly captured by maturity is mortgage pass-through securities. The stated final maturity of such securities is generally 30 years but current prepayment rates are more critical in determining the securities' interest rate exposure. Finally, the duration of the debt obligation may vary over time in response to changes in interest rates and other market factors.

Emerging Market Countries

Investment in securities of emerging market countries are subject to various risks with regard to the rapid economic development which some of these countries are experiencing. In this respect no assurance can be given that this process of development will continue during the years to come. The degree of market regulation in these markets is generally lower than in more developed markets. As a rule, transferable securities of emerging market countries are substantially less liquid than transferable securities of the key markets. This may have negative effects on determining the time and price for the purchase or sale of transferable securities. In general, companies of emerging market countries are not subject to accounting, auditing, and financial reporting standards or requirements comparable to those existing in the key markets. Investments in emerging market countries may be influenced by political, economic or foreign policy changes. The ability of some issuers to repay the principal debt and interests may be uncertain, and no assurance can be given as to the possible insolvency of a particular issuer.

Exchange Traded Funds

The Fund may invest in the securities of Exchange Traded Funds (ETFs) in different asset classes and sectors. Shares or units in ETFs represent interests in (i) fixed portfolios of debt securities designed to track the price and performance of broad-based securities indices (such as the Barclays High Yield Very Liquid Index or the S&P U.S. Leveraged Loan 100 Index); (ii) "baskets" of industry-specific securities; or (iii) commodities. Shares or units in ETFs are traded on an exchange like equity shares, and the value of such shares or units fluctuate in relation to changes in the value of the underlying assets of the ETF. However, the market price of shares or units in ETFs may not be equivalent to the pro rata value of the underlying asset of the ETF. Shares and units of ETFs are subject to the risks of an investment in a broad-based portfolio of debt securities or to the risks of a concentrated, industry-specific investment in debt securities. Furthermore, certain ETFs in which the Fund may invest may leverage their assets, thereby significantly increasing the potential volatility of such ETFs.

Forward Trading

The Fund may engage in forward trading. Forward contracts and options thereon are not traded on exchanges and are not standardised; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies, commodities or securities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies, commodities or securities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Market illiquidity or disruption could result in major losses to the Fund.

Futures Contracts

The Fund may invest in futures contracts. As discussed below under "Leverage", the low margin or premiums normally required in such trading may provide a large amount of leverage (or greater-than-margin market

exposure), and a relatively small change in the price of a security can produce disproportionately larger profit or loss. Futures positions (including financial futures) may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”.

Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Investment Manager from promptly liquidating unfavourable positions and subject the Fund to substantial losses.

In addition, the Investment Manager may not be able to execute futures contract trades at favourable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the U.S. Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Under the U.S. Commodity Exchange Act, as amended, futures commission merchants are required to maintain customers’ assets in a segregated account. To the extent that the Fund engages in futures and options contract trading and the futures commission merchants with whom the Fund maintains accounts fail to segregate such assets, the Fund will be subject to a risk of loss in the event of the bankruptcy of one of these futures commission merchants.

General tax considerations – Bond Connect tax risks

Various tax reform policies have been implemented by the government of the People's Republic of China (“PRC”) in recent years, and existing tax law and regulations may be revised or amended in the future. The tax treatment of investments in PRC set out below under *PRC tax risks in relation to Bond Connect Securities* which reflects current tax law, regulations and practice in the PRC may be changed with retrospective effect and any such change may have a significant impact on the net asset value of the Fund. There is no assurance that the tax incentives currently offered to foreign investors, if any, will not be abolished and the existing tax law and regulations will not be revised or amended in future. The PRC tax rules and practices are not entirely certain. There is a possibility that the PRC tax authorities may change their view and interpretation of the provisions of the tax law and regulations. Any changes in tax policies or practices may also reduce the after-tax profits of the companies the Company invests in, thereby reducing the income from, and/or value of the relevant Fund.

Illiquid Securities or Other Investments

Illiquid securities, commodities or other investments (including inter alia private placement securities and other restricted securities) are investments which may not be sold or disposed of in the ordinary course of business. Illiquid investments include investments with legal or contractual restrictions on resale and investments that do not have readily available market quotations, and may involve the risk that the Fund may be unable to sell such an investment at the desired time. The price at which the Fund values these investments could be less than that originally paid by the Fund. In addition, the Fund may invest in investments that are sold in private placement transactions between their issuers and their purchasers and that are neither listed on an exchange nor traded over-the-counter. These factors may have an adverse effect on the Fund's ability to dispose of particular investments and may limit the Fund's ability to obtain accurate market quotations for purposes of valuing investments and calculating the Fund's Net Asset Value and to sell investments at fair value. If any privately placed securities held by the Company are required to be registered under the securities laws of one or more jurisdictions before being resold, the Fund may be required to bear the expenses of registration.

Interest Rate Risk

Because the Fund may invest in debt securities, they are subject to interest rate risk. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Lack of Liquidity of Fund Assets

The Fund may, at any given time, invest a portion of its assets in securities or other financial instruments or obligations which are thinly-traded or for which no liquid market exists. The sale of any thinly-traded or illiquid investments may be possible only at substantial discounts. In the discretion of the Board of Directors, payment of redemption proceeds to a Shareholder may be made partly or completely in securities, including thinly-traded and illiquid securities.

Legal risk

The terms of derivatives, repurchase, reverse repurchase, buy-sell back, sell-buy back and securities lending transactions are generally established through negotiation between the parties to the agreements. While this provides more flexibility, these agreements may involve greater legal risk than exchange-traded instruments, which are standardised, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There may also be a risk that the parties to the agreement may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the agreement. The Fund therefore assumes the risk that it may be unable to obtain payments owed to it, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect the Fund. The regulatory and tax environment governing these types of transactions is evolving, and changes in the regulation or taxation may adversely affect the value of such transactions entered into by the Fund and the Fund's ability to pursue its trading strategies.

Leverage

The use of leverage could result in the Fund having substantially more exposure than it has assets under management. Leverage increases returns if the Fund earns a greater return on leveraged investments than the cost of such leverage. However, the use of leverage exposes the Fund to additional risk including (i) greater losses from investments than would otherwise have been the case had the Fund not used leverage to make the investments, (ii) requirements that could force premature liquidations of investment positions and (iii) losses

on investments where the investment fails to earn a return that equals or exceeds the cost of leverage related to such investment. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.

To the extent that options, futures, options on futures, swaps, swaptions and other "synthetic" or derivative financial instruments are used, it should be noted that they inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments and obtain greater-than-paid value exposure. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Market Risks

The profitability of the Fund's investment program depends to a great extent upon the Investment Manager's ability to correctly assess and combine the performance characteristics of the Fund's various underlying investment approaches. There can be no assurance that the Investment Manager will be able to predict accurately performance characteristics. At times, various markets experience great volatility and unpredictability. With respect to the investment strategy utilised by the Fund, there is always some, and occasionally a significant degree of market risk.

Model and Data Risk

The Investment Manager may use recommendations generated by proprietary quantitative analytical models. When executing an investment strategy using quantitative models, securities or other financial instruments selected can perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g. data problems, software issues, etc.)

Quantitative modelling is a very complex process involving numerous data points and settings encoded in computer software, and the Investment Manager and its affiliates review these codes and the various components to the models with a view to ensuring that they are appropriately adapted and calibrated to reflect the Investment Manager's views as to the potential implications of evolving external events and factors, including constantly changing economic, financial market and other conditions. This process involves the exercise of judgments and a number of inherent uncertainties. The Investment Manager's views, including those related to the optimal configuration, calibration and adaptation of the models, may change over time depending on evolving circumstances, on information that becomes available to the Investment Manager and its affiliates, and on other factors.

Although the Investment Manager attempts to ensure that the models are appropriately developed, operated and implemented, sub-optimal calibrations of the models and similar issues may arise from time to time, and neither the Investment Manager nor any of its affiliates can guarantee that the models are in an optimal state of calibration and configuration at all times. Further, inadvertent human errors, trading errors, software development and implementation errors, and other types of errors are an inherent risk in complex quantitative investment management processes of the type the Investment Manager employs. Although the Investment Manager's policy is to promptly address any such errors when identified, there can be no guarantee that the overall investment process will be without error or that it will produce the desired results.

Operational Risk

The Fund is subject to the impact of breakdowns in systems, internal procedures or human error of the AIFM and any of its delegates or any of its counterparties or the markets in which it trades.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses the premium paid. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying commodity (which could result in a potentially unlimited loss) rather than only the loss of the premium payment received. Over-the-counter options also involve counterparty solvency risk.

Reliance on the Investment Manager

The profitability of a significant portion of the Fund's investment program will depend upon the Investment Manager correctly assessing future price movements in securities. There can be no assurance that the Investment Manager will be able accurately to predict these price movements, even during market periods which are favourable to most other managers. Each strategy selected for the Fund will be unlikely to achieve its objectives under certain market conditions which may prevail for substantial periods of time after the Fund begins operating or allocates assets to a particular strategy.

The success of an investment manager in the past is not necessarily a reliable indicator of its prospects for future profitability. Speculative trading and investment strategies involve substantial risks, and the outcomes are uncertain.

Repurchase and Reverse Repurchase Agreements

The Fund may engage in repurchase agreements with banks or broker-dealers. A repurchase agreement is an investment in which the Fund sells ownership of securities and agrees to repurchase the securities at a future time and set price. Repurchase agreements involve certain risks in the event of default by the other party.

In the event the buyer of the securities files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending the close out and set off process under the repurchase agreement, including the valuation of the securities held by the other party as collateral.

The Fund may engage in sell-buy back agreements which operate in a similar way and are subject to the same risks as repurchase agreements.

The Fund may enter into reverse repurchase agreements with banks or broker-dealers. Reverse repurchase agreements involve a purchase by the Fund of securities concurrently with an agreement by the seller to repurchase the same securities at a later date at a fixed price. In the event of the bankruptcy or other default of the seller, the Fund could experience both delays in liquidating the underlying securities and losses, including (i) possible decline in the value of the underlying security during the period while it seeks to enforce its rights thereto; (ii) possible lack of access to income on the underlying security during this period; and (iii) expenses of enforcing its rights.

The Fund may engage in buy-sell back agreements which operate in a similar way and are subject to the same risks as reverse repurchase agreements.

Risks linked with dealing in securities in China via Bond Connect

Some Funds may seek exposure to fixed income securities dealt on the CIBM through Bond Connect ("Bond Connect Securities"). Bond Connect is a mutual bond market access between Hong Kong and the PRC established by China Foreign Exchange Trade System (CFETS) & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House (together, the "Mainland Financial Infrastructure Institutions"), and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets

Unit (CMU) (together, the “Hong Kong Financial Infrastructure Institutions”). Eligible foreign investors are allowed to invest in Bond Connect Securities through a cross border platform, which facilitates the efficient trading by overseas institutional investors in the PRC bond market (Northbound link) and by PRC investors in the Hong Kong bond market (Southbound link). Northbound Trading will follow the current policy framework for overseas participation in the CIBM.

There will be no investment quota for Northbound Trading.

To the extent that a Fund’s investments in China are dealt via Bond Connect, such dealing may be subject to additional risk factors.

Regulatory risks: Bond Connect rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the Bond Connect rules and regulations will not be abolished in the future. A Fund(s), which invests in Bond Connect Securities, may be adversely affected as a result of any such changes or abolition.

Custody risks: Under the prevailing regulations in PRC, eligible foreign investors who wish to invest in Bond Connect Securities may do so via an offshore custody agent approved by the Hong Kong Monetary Authority (“HKMA”) (“Offshore Custody Agent”), who will be responsible for the account opening with the relevant onshore custody agent approved by the People’s Bank of China. Since the account opening for investment in the CIBM market via Bond Connect has to be carried out via an offshore custody agent the relevant Fund is subject to the risks of default or errors on the part of the Offshore Custody Agent.

Trading risks: Trading in securities through the Bond Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities/make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

Market and Liquidity Risks: Market volatility and potential lack of liquidity due to low trading volumes of certain debt securities may result in prices of certain debt securities traded on the CIBM to fluctuate significantly. The Funds investing in the CIBM are therefore subject to liquidity and volatility risks and may suffer losses in trading PRC bonds. The bid and offer spreads of the prices of such PRC bonds may be large, and the relevant Funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

Investment restrictions: Investments into Bond Connect are not subject to any quota but should the relevant Chinese authorities suspend account opening or trading via Bond Connect, the relevant Fund’s ability to invest in CIBM will be limited and, and the relevant Fund may not be able to effectively pursue its investment strategy or it may have an adverse effect on the relevant Fund’s performance as the relevant Fund may be required to dispose of its CIBM holdings. The relevant Fund may also suffer substantial losses as a result.

Chinese Local Credit Rating Risk: Certain Funds may invest in securities the credit ratings of which are assigned by Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. Investors should be cautious when they refer to ratings assigned by Chinese local credit agencies, noting the differences in rating criteria mentioned above. If assessments based on credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

Operational Risk: Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function

properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Beneficial owner of Bond Connect Securities

The Funds' Bond Connect Securities will be held following settlement in an investors segregated securities account at the Central Moneymarkets Unit (CMU) as central securities depository in Hong Kong by custodians as clearing participants. The CMU in turn holds Bond Connect Securities of all its participants through an omnibus securities account (Linkage Securities Account) in the name of the Hong Kong Monetary Authority (HKMA) at the China Central Depository & Clearing Co., Ltd and the Shanghai Clearing House in the PRC. Because CMU is only a nominee holder and not the beneficial owner of Bond Connect Securities, in the unlikely event that CMU becomes subject to winding up proceedings in Hong Kong, investors should note that Bond Connect Securities will not be regarded as part of the general assets of CMU available for distribution to creditors even under PRC law. However, CMU will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Bond Connect Securities in PRC. Funds investing through Bond Connect holding the Bond Connect Securities through CMU are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

However, physical deposit and withdrawal of Bond Connect Securities are not available under the Northbound trading for the Funds. In addition, the Fund's title or interests in, and entitlements to Bond Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in the event that disputes arise. Not protected by Investor Compensation Fund.

Investors should note that any trading under Bond Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes. Hong Kong's Investor Compensation Fund is 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. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

Difference in trading day and trading hours

Due to differences in public holiday between Hong Kong and PRC or other reasons such as adverse weather conditions, there may be a difference in trading days and trading hours on the CIBM and the CMU.

Bond Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC markets but it is not possible to carry out any Bond Connect Securities trading in Hong Kong.

The recalling of eligible bond and trading restriction

A bond may be recalled from the scope of eligible stocks for trading via Bond Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager.

Trading costs

In addition to paying trading fees and other expenses in connection with Bond Connect Securities trading, the Funds carrying out Northbound trading via Bond Connect should also take note of any new portfolio fees,

dividend tax and tax concerned with income arising from transfers which would be determined by the relevant authorities.

Currency risks

Northbound investments by the Fund in the Bond Connect Securities will be traded and settled in Renminbi. If the Fund holds a class of shares denominated in a local currency other than RMB, the Fund will be exposed to currency risk if the Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Fund purchases it and when the Fund redeems/sells it, the Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

Risk of CMU default

A failure or delay by the CMU in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect Securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Investment Manager shall be responsible or liable for any such losses.

PRC tax risks in relation to Bond Connect Securities

Unless a specific exemption or reduction is available, entities not tax resident in the PRC are subject to CIT on a withholding basis generally at a rate of 10% on PRC passive sourced income. However, interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from CIT. Further, on 22 November 2018, a three-year CIT and Value Added Tax (VAT) exemption on interest income derived by foreign investors from investments in PRC bond markets was confirmed from 7 November 2018 to 6 November 2021, pursuant to Caishui [2018] No.108.

Currently, there is no specific rule governing the taxation of capital gains derived by foreign investors trading PRC debt securities (including PRC debt securities traded through Bond Connect). Based on verbal comments from the PRC tax authorities, such gains should be non-PRC sourced income and thus would not be subject to PRC withholding tax. However, there are no written tax regulations issued by the PRC tax authorities to confirm that interpretation. As a matter of practice, the PRC tax authorities have not levied PRC withholding tax on capital gains realised by foreign investors from the trading of debt securities.

Pursuant to Caishui [2016] No.36, gains realised from trading of marketable securities and interest income would generally be subject to VAT at 6%, unless specifically exempted under laws and regulations. If VAT is applicable, there are also other surtaxes that could apply. Gains realised by recognised foreign investors from trading RMB-denominated debt securities in the PRC inter-bank bond market are exempted from VAT, and interest received by foreign investors from government bonds and local government bonds are also exempt from VAT.

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

Securities Lending

Where the Fund enters into securities lending arrangements there are risks in the exposure to market movements on the value of collateral if the counterparty defaults and recourse has to be had to collateral, or if there is fraud or negligence on the part of the Depositary, the Investment Manager or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such securities lending arrangements is

the insolvency of the counterparty. In this event the Fund could experience delays in recovering its securities and such event could possibly result in capital losses.

Shareholders Concentration

One or more Shareholders may hold in excess of 10% of the outstanding Shares of the Fund. A redemption by a Shareholder that holds a significant percentage of the outstanding Shares of the Fund may result in an increase in the Fund's ratio of operating expenses to total net assets. In addition, the reduced asset level may affect the investment strategy used to meet the Fund's investment objective.

Structured Product Risk

In addition to the general risks associated with debt securities and counterparty risks discussed herein, structured products carry additional risks related to their structure and underlying asset exposures, including, but not limited to: the complexity of their structures and their risk and return characteristics; the possibility that distributions-related performance of a variety of underlying assets will not be adequate to make interest or other payments; the possibility that the quality and/or value (or market perception of quality and/or value) of the underlying assets will decline; the possibility of defaults impacting the underlying assets; limitations on recourse; the availability of the relevant type of collateral in the market; and the level of subordination within the product.

The holder of a structured product may have the right to receive payments only from the structured product, and generally does not have direct rights against the issuer or the entity that sold the assets that have been securitised. Structured products can present liquidity risks, as certain structured products may be thinly traded or have a limited trading market, and limited pricing information may be available.

The value of structured notes are based upon the movements of one or more factors, including currency exchange rates, interest rates, referenced bonds and stock indices, and changes in interest rates, and the impact of these factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero.

Pass-through instruments such as mortgage-related and asset-backed securities may be subject to prepayment risk, which is the possibility that the principal of the loans underlying the securities may be prepaid at any time. Prepayments generally increase during periods when interest rates decline. As a result, reinvestment of prepayment proceeds will generally be at lower rates than the rates that were carried by the pre-paid obligations. Because of prepayment risk, pass-through instruments are particularly sensitive to changes in prevailing interest rates, and the total return and maturity of such instruments may be difficult to predict. Commercial mortgage loans are typically not prepayable, or are subject to prepayment penalties or interest rate adjustments, so commercial mortgage-backed securities may be subject to less (or no) prepayment risk.

Swap Agreements

The Fund may enter into swap agreements. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount", (e.g. the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or security, or in a "basket" of securities representing a particular index).

The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations that the parties to a swap agreement agree to exchange. Most swap agreements entered into by the Fund would calculate the obligations of the parties to the agreement on a "net" basis. Consequently, the Fund's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount").

Whether the Fund's use of swap agreements, if any, will be successful in furthering its investment objective will depend on the Fund manager's ability to correctly predict whether certain types of investments are likely

to produce greater returns than other investments. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements.

Tax and Other Regulatory Considerations

Certain prospective Shareholders may be subject to laws, rules and regulations which may regulate their participation in the Fund or their engaging directly or indirectly through an investment in the Fund, in investment strategies of the types which the Fund may utilize from time to time (e.g. short selling). Prospective Shareholders should consult with their own advisors as to the advisability and tax consequences of an investment in the Fund. Prospective Shareholders should also be aware that the tax treatment of the Fund, as well as their investment, may change over time.

Technology and Data Risk

The Company and its service providers rely heavily on the use of technology, including proprietary and third-party software and data, to run substantially all aspects of the management of the Company. For example, the majority of trade instructions are entered by portfolio managers and executed by traders utilizing electronic systems, where the Fund uses quantitative equity models to assess the attractiveness of investments or portfolio construction models to generate suggested trades or investment weightings. Compliance with investment guidelines is monitored utilizing electronic systems and data provided by various proprietary and third-party sources.

Processes reasonably designed for developing, selecting and overseeing these technology systems and databases, in particular controls designed to assure that technology systems are sound and the systems suppliers that are relied upon are reputable and competent, and controls and escalation procedures around the use of data which include diligence of third party service providers, monitoring data sources for inaccurate or missing data may not be successful in completing mitigating the risk of system defects and/or inaccurate or missing data.

Systems flaws and inaccurate data may go undetected for long periods of time, or avoid detection altogether. These issues could have a negative (or positive) impact on the investment performance of the Fund.

Valuation of Securities and Other Investments

Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuations should prove to be incorrect, Shareholders could be adversely affected. Independent pricing information may not at times be available or may be difficult to obtain with respect to certain of the Fund's securities, commodities or other investments. Accordingly, while the AIFM will use its best efforts to value all investments in the Fund fairly, certain investments may be difficult to value and may be subject to varying interpretations of value and, in such cases, the AIFM may determine the value of the Fund's investments by, among other things, utilizing marked to market prices provided by dealers and pricing services and, if necessary, through relative value pricing. The AIFM is entitled to rely, without independent investigation, upon pricing information and valuations furnished to the AIFM by third parties, including pricing services.

THE OFFERING

The Net Asset Value

The Net Asset Value of the Shares of each Class is based on the actual market price of the assets of the Fund, including accrued income less liabilities and provisions for accrued expenses. This is calculated on the Valuation Date by STATE STREET BANK LUXEMBOURG S.C.A., as Administration Agent.

The Net Asset Value per Share in each Class is calculated in the Base Currency of the Fund by the Administration Agent, by dividing the Net Asset Value of each Class of Shares by the number of its Shares of each Class in circulation. The Net Asset Value per Share in each of the non-US Dollar denominated Classes is expressed in the applicable denomination currency by converting the US Dollar Net Asset Value into the applicable denomination currency at the prevailing exchange rate on the respective Valuation Date.

With respect to Hedged Share Classes, hedging transactions will be clearly attributable to a specific Class. All material costs and gains/losses of such hedging transactions shall be borne by the relevant Hedged Share Class.

The total net assets of the Fund are expressed in US Dollar and correspond to the difference between the assets of the Fund and its total liabilities. For the purpose of this calculation, any portion of the net assets of the Fund that is denominated in another currency is converted into US Dollar at the prevailing exchange rate on the respective Valuation Date.

The Net Asset Values, as well as the current issue, conversion and redemption prices, are available at the registered office of the Company, the AIFM and the Registrar and Transfer Agent on any Business Day following the respective Valuation Date at 5:00 p.m. Luxembourg time.

The AIFM has been designated by the Board of Directors to perform the valuation function in accordance with AIFMD. In such capacity, the AIFM, is responsible for the valuation of the assets of the AIF in accordance with the AIFMD, applicable law, the Articles of Incorporation, and the AIFM valuation procedures.

The value of the assets held by the Fund is determined as follows:

- (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 shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof;
- (b) the value of transferable securities and money market instruments and any other assets which are quoted or dealt in on any stock exchange shall be based on the latest available closing price and each transferable securities and money market instruments and any other assets traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities;
- (c) for non-quoted assets or assets not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted assets on such other market for which no valuation price is available, or assets for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the AIFM on the basis of foreseeable purchase and sale prices;
- (d) Units or shares in open-ended underlying funds will be valued at the official redemption price quoted by the relevant underlying fund, its management company or a third party commissioned by it or at an unofficial redemption price (e.g. an estimated net asset value of the shares or units of the underlying fund), if this is more up-to-date or in the view of the AIFM more in conformity with the market than the official redemption price. The unofficial redemption price shall only be used where it has been determined in good faith in accordance with recognised valuation principles capable of being verified by auditors. The AIFM shall be

entitled to rely on the accuracy of the calculations provided by the relevant underlying fund, its management company or third party commissioned by it without making further enquiries, as long as it is acting in good faith. The valuation on the basis of an unofficial redemption price of the shares or units of underlying funds is final, even if it subsequently turns out that it diverges from the valuation that would have been calculated by reference to the official redemption price;

(e) money market instruments with a remaining maturity of less than ninety days at the time of purchase or securities whose applicable interest rate or reference interest rate is adjusted at least any ninety days on the basis of market conditions shall be valued at cost plus accrued interest from its date of acquisition, adjusted by an amount equal to the sum of (i) any accrued interest paid on its acquisition and (ii) any premium or discount from its face amount paid or credited at the time of its acquisition, multiplied by a fraction the numerator of which is the number of days elapsed from its date of acquisition to the relevant Valuation Date and the denominator of which is the number of days between such acquisition date and the maturity date of such instruments;

Money market instruments with a remaining maturity of more than ninety days at the time of purchase shall be valued at their market price. When their remaining maturity falls under ninety days, the AIFM may decide to value them as stipulated above;

(f) liquid assets may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner;

(g) the liquidating value of futures, forward and options contracts not traded on exchanges or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and/or regulated markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable;

(h) all other assets of any kind or nature will be valued at their net realisable value as determined in good faith by or under the responsibility of the AIFM in accordance with generally accepted valuation principles and procedures.

The Company may decide to apply a partial swing pricing mechanism as further described below.

The Fund may suffer dilution of the Net Asset Value per Share due to investors buying or selling Shares at a price that does not take into account dealing and other costs arising when the Investment Manager makes or sells investments to accommodate cash inflows or outflows. To counteract this, a swing pricing mechanism may be adopted to protect Shareholders' interests. If on any Valuation Date, the aggregate net transactions in Shares for the Fund exceeds a pre-determined threshold, as determined by the Company from time to time, the Net Asset Value may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The extent of the price adjustment will be set by the Company to reflect dealing and other costs. Such adjustment will amount to a maximum of 5% of the original Net Asset Value per Share. In any other cases where there are net subscriptions or redemptions in the Fund and the Company reasonably believes that imposing a swing price is in the best interests of existing Shareholders, the Company may, at its discretion, impose one.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of the Fund, the last available mean rate at 4:00 p.m. U.K. time will be used.

The AIFM is authorised to apply other adequate valuation principles for the total assets of the Fund if the aforementioned valuation criteria appear impossible or inappropriate, or due to extraordinary circumstances or events.

In the case of extraordinary circumstances, the AIFM may cancel a valuation and replace it with another valuation.

In the case of extensive or unusually large redemption applications, the AIFM may establish the value of the Shares on the basis of the prices at which the necessary sales of securities are executed. In such an event, the same basis for calculation shall be applied for conversion and subscription applications submitted at the same time.

Issue of Shares

The Board of Directors is entitled to issue multiple Classes of Shares. The Fund may issue Share Classes denominated in the Base Currency or denominated in another dealing currency. Share Classes may be offered as hedged or unhedged. In addition, the Fund offers certain Share Classes that are eligible for distributions of net investment income and net realised capital gains as determined by the Board of Directors; all other Share Classes accumulate income and make no current distributions.

All Classes of Shares are available in a continuous offering at Net Asset Value. Class S, Class D, Class N, Class UD, Class UN and Class T Shares that (i) are eligible for distributions as determined by the Board of Directors, or (ii) accumulate income and make no current distributions, are also available in each denomination currency and are available hedged or unhedged.

The following table provides details on the minimum initial subscription and the minimum subsequent subscription for the Fund's Share Classes:

Share Class	Terms	USD or the equivalent amount in any other currency
Class S/T	Minimum Initial Subscription	5 mil
	Minimum Subsequent Subscription	1,000
Class D/N/UD/UN	Minimum Initial Subscription	250,000
	Minimum Subsequent Subscription	1,000

In each case, the minimum amounts may be waived by the Board of Directors.

All Classes of Shares are reserved for Well-Informed Investors and qualify for the lower *taxe d'abonnement* rate of 0.01%.

Class S Shares are reserved for Institutional Investors (as defined below) only.

Class D Shares are offered to eligible financial intermediaries acting on behalf of underlying beneficial holders who are Well-Informed Investors.

Class N Shares are offered to eligible financial intermediaries acting on behalf of underlying beneficial holders who are Well-Informed Investors. Class N Shares are reserved for eligible financial intermediaries who, either, according to applicable regulatory requirements, are not allowed to accept and retain a distribution fee or who have separate fee arrangements with their clients which preclude them from accepting and retaining a distribution fee, and for Institutional Investors investing on their own account, who do not meet the criteria for Class S Shares. No distribution fee is paid in respect of the Class N Shares.

Class UD Shares are reserved exclusively for a financial intermediary approved by the Company, whose underlying beneficial holders are Well-Informed Investors. Class UD Shares are subject to a distribution fee.

Class UN Shares are reserved exclusively for a financial intermediary approved by the Company, whose underlying beneficial holders are Well-Informed Investors and have separate fee arrangements with the financial intermediary. No distribution fee is paid in respect of UN Shares.

Class T Shares are reserved for Institutional Investors that have an existing investment management or other relationship with the Investment Manager or one of its affiliates and are not assessed an Investment Management Fee or a Distribution Fee.

Institutional Investor means any institution investing for its own account or for its own beneficial interest (excluding any financial intermediaries subscribing on behalf of or for the beneficial interest of their underlying clients).

The Distribution Fee shall be paid to financial intermediaries whose clients own those Shares, to compensate such intermediaries for liaison services provided to holders of those Shares.

The issue price is based on the Net Asset Value per Share of each Class.

The issue price for initial and any subsequent investments of the Fund will be the Net Asset Value per Share of the relevant Class calculated on the Dealing Day after receipt in good order of the transaction form or conversion form by the Registrar and Transfer Agent before the Order Cut-Off Time; otherwise the subscriber may be required to submit a new transaction and conversion Form and the issue price will be effected on the basis of the Net Asset Value per Share of the relevant Class calculated on the next Dealing Day.

Initial investments must be made by completing the Company's Account Opening Agreement and other required documentation. Investors are advised that the Company and/or its service providers may require applicants to provide such identification documents as necessary to satisfy, in the Company's and its service providers' discretion, applicable provisions of anti-money laundering laws. In addition, the Account Opening Agreement specifies the conditions for holding Shares. The Board of Directors reserves the right to compulsorily redeem Shares held by any Shareholder who, in the Board of Directors' sole judgment, fails to meet conditions agreed to in the Company's Account Opening Agreement.

By submitting the Account Opening Agreement, the investor makes an offer to subscribe for Shares which, once it is accepted by the Company, has the effect of a binding contract. The terms of holding Shares are set forth in the Account Opening Agreement. The Account Opening Agreement is governed by Luxembourg law, and any disputes arising from this agreement will be brought before the courts of the Grand-Duchy of Luxembourg which have exclusive jurisdiction over such disputes. Upon the issue of Shares, the investor becomes a Shareholder of the Company, a Luxembourg specialised investment fund subject to supervision by the CSSF. There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by Luxembourg courts in Luxembourg.

Should investors wish to receive or make payments in an alternative currency to the dealing currency or exchange between Shares with different dealing currencies then this must be clearly noted on the transaction form and the associated foreign exchange trade undertaken by the Company will be executed with State Street Global Markets, an affiliate of the parent company of the Registrar and Transfer Agent, as principal counterparty at the commercial rate available from the counterparty on the relevant Dealing Day. This foreign exchange transaction will be at the cost and risk of the investor or Shareholder (as applicable) and details of the associated costs are available on request. Payments relating to any instruction received to process an exchange of any Shares will be made directly between the relevant Funds in the currency of each relevant Share. Where a foreign exchange trade is required to facilitate this, such trade will be processed as described above. All bank charges are to be borne by the Shareholder.

Investors should pay for Shares by way of a bank wire transfer to the account designated by the Registrar and Transfer Agent of the subscription monies from a first class international bank. Payment for all Shares is due no later than the Payment Deadline. If payment for a subscription is not received by the Payment Deadline, the relevant subscription may be treated as having been received on the next Dealing Day, and would be processed accordingly. These settlement terms may be modified by the Board of Directors.

The Board of Directors may accept investments as payment for Shares provided that the securities meet the investment policy criteria of the Company. In such case, an auditor's report shall be necessary to value the contribution in kind. The expenses in connection with the establishment of such report shall be borne by the subscriber which has chosen this method of payment or the Fund in the discretion of the Board of Directors acting in the best interest of the remaining Shareholders.

The Company retains the right to offer additional Classes of Shares. 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. In addition, the Company may adopt standards applicable to Classes of investors or transactions which permit, or limit investment to, the purchase of a particular Class of Shares. Investors should consult their financial consultant for information concerning the Class of Shares eligible for purchase. However, the Board of Directors or the AIFM shall be entitled to waive the minimum initial subscription, minimum holding, minimum subsequent subscription and any other eligibility criteria in respect of that Class of Shares provided always that investors subscribing in a Share Class that qualifies for the lower *taxe d'abonnement* rate of 0.01% shall always meet the definition of institutional investor as defined by applicable practice of the regulatory authority in Luxembourg from time to time.

The Shares are registered in the name of the relevant investor immediately upon payment of the full purchase price in the currency of the relevant Class. In each case such payment is due for the Dealing Day on which the order was accepted, or as shall be determined by the Board of Directors from time to time.

Purchases of securities or other investments may be made in respect of subscriptions prior to settlement and, as agreed in the Account Opening Agreement. Investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within the time frames agreed to in the Account Opening Agreement. As provided in the Articles of Incorporation, the Board of Directors may compulsorily redeem Shares, without notice, to satisfy any such liabilities owed to the Company. The Board of Directors reserves the right to require other settlement procedures (such as a shortened settlement period) for large orders or in other circumstances that, in the Board of Directors' judgment, present settlement risk.

Shares shall be issued in registered form only, pursuant to a Share confirmation issued upon their issue or conversion. No certificates shall be issued. The ownership of Shares shall be evidenced by the mention in the Register of Shareholders, which shall be kept by the Registrar and Transfer Agent at the address listed in the Directory. Fractional Shares may be issued to the nearest one thousandth of a Share. Fractions of Shares are entitled to the same rights and obligations as full Shares, in proportion to their amount.

According to the Articles of Incorporation, the Board of Directors or the Distributor may, within the scope of their sales activities and at its discretion, cease issuing Shares, refuse purchase applications and suspend or limit the sale of Shares for specific periods or permanently to individuals or corporate bodies in particular countries or areas. The Board of Directors may at any time withdraw Shares held by investors excluded from the acquisition or ownership of the Fund's Shares.

The Board of Directors, at its discretion, reserves the right to refuse to accept any application for initial or subsequent subscription or to compulsorily redeem Shares held by any Shareholder, without giving any reason. The Board of Directors also may refuse to accept initial or subsequent subscriptions if it believes the Company or the Fund has reached a size that could impact the ability of the Fund to find suitable investments, and may reopen a Share Class or Fund without advance notice at any time. If a subscription is rejected, subscription proceeds will be returned without interest to the subscriber as soon as practicable.

The Board of Directors may proceed with the split of the Shares of any Class.

Without limiting the foregoing, and as further described below in the section entitled “Market Timing and Late Trading/Excessive Trading Policies”, the Company may not be used as a vehicle for frequent trading in response to short term market fluctuations (so called “*Market Timing*”). Accordingly, the Board of Directors may reject any subscriptions (or compulsorily redeem Shares) from any investor that it determines is engaged in Market Timing or other activity which it believes is harmful to the Company or the Fund.

Conversion of Shares

The Shareholder of the Fund may convert some or all of his Shares into Shares of another Class of the Fund, without any commission being charged on or up to the counter value of the Shares presented for conversion; provided, however, that the Shareholder meets the particular criteria for investment in the Class into which he wishes to convert. However, any issue taxes incurred will be charged. Such conversions will be effected at the most recently calculated Net Asset Values per Share of the respective Classes.

Redemption of Shares

The Board of Directors shall redeem Shares at the redemption price on each Dealing Day, subject to the restrictions below.

Redemptions from the Fund shall be effected on the basis of the Net Asset Value per Share of the relevant Class calculated on the Dealing Day after receipt in good order of the transaction form or conversion form, by the Registrar and Transfer Agent before the Fund’s Order Cut-Off Time; otherwise the Shareholder may be required to submit a new transaction form and the redemption will be effected on the basis of the Net Asset Value per Share calculated on the next Dealing Day.

There shall be no redemption fee charged by the AIFM or the Company.

The redemption price of Shares may be more or less than the acquisition cost to the Shareholder depending on the Net Asset Value per Share at the time of redemption.

Because provisions must be made for an adequate portion of liquid funds in the Fund’s assets, in normal circumstances payment for redeemed Shares is effected as soon as is practicable after the determination of the redemption price unless statutory or legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the Shareholder requesting the redemption is resident. Payments will be paid in the currency of the relevant Class or other permitted currency as elected by the Shareholder.

If the aggregate of the redemption requests received from Shareholders before the Fund’s Order Cut-Off Time does not exceed the lesser of 7% of the Net Asset Value or U.S.\$100 million, or the currency equivalent, (the “Redemption Limit”) these redemption requests will be processed on the Dealing Day on which they are received (or deemed to have been received). The Board of Directors may, at its sole discretion, determine that a higher redemption limit will apply.

If the aggregate redemption requests received on a Dealing Day result in the Redemption Limit being exceeded, the Company may, but is not obliged to, refuse to effect all of the concerned redemptions in full. In such circumstances, all of the relevant redemption requests will be reduced on a pro-rata basis. Thereafter, any unfulfilled redemption request or portion will be carried forward and effected, on a pro-rata basis where necessary, on each successive Dealing Day, until the outstanding redemption requests are discharged in full. During this process, redemption requests that are carried forward will be aggregated with other redemption requests on each Dealing Day. Redemption requests carried forward will not be prioritised over other redemption requests received for a given Dealing Day and shall be treated with respect to the unsatisfied balance thereof as if a further redemption request had been made by the concerned Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days.

The Company will at all times aim to meet all redemption requests received (or deemed to have been received) on each Dealing Day. In certain circumstances however the Company may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of some securities of other instruments (please see sub-section “Illiquid Securities or Other Investments” in the section “Risk Factors”), the events set out in the section, “Suspension of the Valuation of the Total Net Assets and of the Issue, Conversion and Redemption of Shares” in this Offering Memorandum, or the need to protect the interests of the Company, the Fund and/or Shareholders (as the Company may in its discretion determine). In such circumstances, notwithstanding the above, the Company reserves the right in its discretion to defer or scale down pro-rata each redemption request.

The Board of Directors may also, at its discretion and/or at the request of a Shareholder wishing to redeem, pay all or a portion of the redemption proceeds in investments owned by the Fund. The nature and type of investments to be transferred in any such case shall be determined by the Board of Directors on a fair and equitable basis as confirmed by the auditor of the Company and without material prejudice to the interests of the remaining Shareholders. The expenses in connection with the establishment of any auditor’s report for this purpose shall be borne by the redeeming Shareholder or the Fund in the discretion of the Board of Directors acting in the best interest of the remaining Shareholders. Any costs of such transfers shall be borne by the Shareholders benefiting from the redemption in kind, and the Shareholder additionally will bear any cost and market risk associated with converting in kind redemption proceeds to cash.

If redemption requests are received on a particular Valuation Date the implementation of which would result, in the discretion of the Investment Manager, in the need to realise Fund assets at a discount to their carried value, the Investment Manager may direct the Registrar and Transfer Agent to reduce the relevant redemption proceeds in an amount the Investment Manager determines is necessary to reduce or mitigate any discount or reduction in Net Asset Value per Share which is expected to be incurred by the remaining Shareholders. Alternatively, the Company may, upon recommendation of the Investment Manager, direct the Registrar and Transfer Agent to apply a partial swing pricing mechanism as set out in section “The Offering”, payable to the Fund.

If a Shareholder submits a redemption request which would have the effect of reducing the value of the Shareholder’s remaining holdings below the minimum holdings amount specified for the Fund, the Investment Manager in its discretion may direct the Depositary to treat the redemption as a request to redeem the Shareholder’s entire holdings.

On payment of the redemption price, the corresponding Fund Share ceases to be valid.

Data Protection

In the course of business, the Company or the AIFM on behalf of the Company will collect, record, store, adapt, transfer and otherwise process personal data which may include investors’ names, address, tax identification number(s), date and place of birth of the investors, account number or its functional equivalent (if the investor is a legal person, the same categories of personal data may be processed in relation to its contact person(s) and/or beneficial owner(s)), by which prospective investors may be directly or indirectly identified. The Company or the AIFM on behalf of the Company is a data controller within the meaning of the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the EU General Data Protection Regulation (EU) 2016/679, European Commission decisions, binding EU and national guidance and all national implementing legislation (“**Data Protection Legislation**”) and will hold any personal data provided by or in respect of investors in accordance with Data Protection Legislation.

The Company or the AIFM on behalf of the Company and/or any of its delegates or service providers may process prospective investor's and investor's personal data for any one or more of the following purposes and legal bases:

1. to operate the Funds, including managing and administering a Shareholder's investment in the relevant Fund on an on-going basis which enables the Company or the AIFM on behalf of the Company to satisfy its contractual duties and obligations to the Shareholder and any processing necessary for the preparation of the contract with the Shareholder;
2. to comply with any applicable legal, tax or regulatory obligations on the Company or the AIFM on behalf of the Company, for example, under the Luxembourg law of 17th December 2010, as amended and anti-money laundering and counter-terrorism legislation and fraud prevention;
3. for any other legitimate business interests' of the Company or the AIFM on behalf of the Company or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes and to perform financial and/or regulatory reporting; or
4. for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

Personal data may also be transferred to other entities, such as the Investment Manager, Distributor, Depositary or their delegates, acting as data processors. These data processors shall only act on documented instruction from the Company or the AIFM on behalf of the Company, except when they act also as distinct data controllers in order to comply with their own legal and regulatory obligations.

The Company or the AIFM on behalf of the Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in Luxembourg or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company or the AIFM on behalf of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, tax authorities, auditors, technology providers for the purposes specified above.

The Company or the AIFM on behalf of the Company will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company or the AIFM on behalf of the Company shall have regard to applicable legal statute of limitations provisions and any statutory obligations to retain information, including anti-money laundering, counter-terrorism and tax legislation. The Company or the AIFM on behalf of the Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their personal data kept by the Company or the AIFM on behalf of the Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation and any statutory obligations to retain such information.

The Company or the AIFM on behalf of the Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company or the AIFM on behalf of the Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission).

Where processing is carried out on behalf of the Company or the AIFM on behalf of the Company, the Company or the AIFM on behalf of the Company shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a

manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company or the AIFM on behalf of the Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process personal data only in accordance with the documented instructions from the Company or the AIFM on behalf of the Company.

As part of the Company or the AIFM on behalf of the Company's business and ongoing monitoring, the Company or the AIFM on behalf of the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the tax authorities, law enforcement authorities and to other entities where required by law, and the Company or the AIFM on behalf of the Company terminating its relationship with the investor.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data will result in the Company or the AIFM on behalf of the Company being unable to permit, process, or release the investor's investment in the Funds and this may result in the Company or the AIFM on behalf of the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the competent local data protection authority if they are unhappy with how the Company or the AIFM on behalf of the Company is handling their data.

Any questions about the operation of the Company's or the AIFM's operating on behalf of the Company data protection policy should be referred for the attention of the conducting officers at the AIFM's registered address.

Anti-Money Laundering Prevention

The Company, the Registrar and Transfer Agent and Distributor and any dealers or sub-distributors and any of their delegates, as appropriate, will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering and, in particular, with the Luxembourg law dated 12 November 2004 on the combat against money laundering and terrorist financing as well as with the regulatory authorities' circulars and regulations in such connection and will furthermore adopt procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking.

Applicants for Shares may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested. In the event of delay or failure by the applicant to produce any information required for verification purposes, the AIFM, the Transfer Agent and Distributor or their delegates may refuse to accept the application or may refuse to process a redemption request until proper information has been provided.

To the extent that a Shareholder is purchasing the Shares on behalf of, or as an intermediary for, one or more of its clients, the Shareholder will represent and confirm that:

- (i) the purchase of such Shares shall be for the benefit of certain clients for whom the Shareholder has an established relationship and investment discretion, or who have authorised this investment; and
- (ii) the Shareholder has obtained and recorded evidence of the identity of its clients who have invested in the Company in accordance with applicable money laundering regulations and prudent due diligence procedures. The Shareholder will inform the AIFM, the Transfer Agent and Distributor or any of their delegates immediately in the event of any change in this internal procedure or in the event the Shareholder uncovers additional information about a client that would make this representation no longer true.

Suspension of the Valuation of the Total Net Assets and of the Issue, Conversion and Redemption of Shares

The Board of Directors may temporarily suspend the calculation of the total Net Asset Value and hence the issue, conversion and redemption of Shares for the Fund when:

- stock or commodity exchanges or markets which are the basis for the valuation of a major part of the Fund's assets or foreign exchange markets for currencies in which the Net Asset Value or a considerable portion of their assets are denominated, are closed, except on regular public holidays, or when trading on such a market is limited or suspended or temporarily exposed to severe fluctuations.
- political, economic, military or other emergencies beyond the control, liability and influence of the Board of Directors render the disposal of the Fund's assets impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders.
- disruptions in the communications network or any other reason make it impossible to determine the value of a considerable part of the Fund's net assets.
- limitations on exchange operations or other transfers of assets render it impracticable for the Company to execute business transactions, or where purchases and sales of the Fund's assets cannot be effected at the normal conversion rates.

Restriction on Ownership and Transfer of Shares

The Board of Directors is permitted by the Articles of Incorporation to discontinue temporarily, cease definitively or limit the issuance of Shares at any time to persons or corporate entities resident or established in certain countries and territories. The Board of Directors may exclude certain persons or corporate entities from the acquisition of Shares, if such action is necessary for the protection of the Shareholders and of the Company, as a whole. In this connection, the Board of Directors may (a) reject in its discretion any subscription for Shares; and (b) redeem at any time the Shares held by Shareholders (i) who are excluded from or limited as to purchasing or holding Shares, (ii) who have failed to fulfill any condition of investing in the Company, or (iii) whose Share ownership the Board of Directors believes is not in the best interest of the Company. In particular, unless otherwise permitted by the Board of Directors in its sole discretion, Shares may not be offered or sold to any United States Person and may not be beneficially held by (i) any Restricted Person (as defined in Rule 5130 of the Conduct Rules of the US Financial Industry Regulatory Authority (FINRA)), (ii) any person who is an executive officer or director of (a) a company that is registered under Section 12 of the US Securities Exchange Act of 1934 or files periodic reports pursuant to Section 15(d) thereof, (b) a "covered non-public company" (as defined in FINRA Rule 5131), or (c) any person materially supported by a person described in (ii) above, or (iii) any entity in which any person described in (i) or (ii) above has a beneficial interest. As used in the preceding paragraph, "US Person" means any national or person resident in the United States of America or a partnership, corporation or other entity organised or existing in any state, territory or possession of the United States except that Shares may be offered, sold or delivered to a US Person who is not deemed to be a US Person under Rule 902 of Regulation S under the US Securities Act of 1933.

Market Timing and Late Trading / Excessive Trading Policies

The Board of Directors emphasizes that all Well-Informed Investors and Shareholders are bound to place their subscription, redemption or conversion order(s) no later than the applicable Order Cut-Off Time for transactions in the Company's Shares. When doing so, orders are being placed for execution on the basis of still unknown prices. Late trading is not accepted.

Market timing is not accepted, whereby a suspicious order may be rejected by the Board of Directors.

Excessive trading into and out of the Fund can disrupt Fund investment strategies and increase the Funds' operating expenses. The Fund is not designed to accommodate excessive trading practices. The Board of Directors reserves the right to restrict, reject or cancel purchase, redemption and conversion orders as described above, which represent, in its sole judgment, excessive trading.

Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Board of Director or its agents will be able to recognize such Shareholders or curtail their trading practices. The ability of the Board of Directors and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations.

To the extent that the Board of Directors or its agents are unable to curtail excessive trading practices in the Fund, these practices may interfere with the efficient management of the Fund's portfolio, and may result in the Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using a line of credit and engaging in portfolio transactions. Increased portfolio transactions and the use of a line of credit would correspondingly increase the Fund's operating costs and decrease the Fund's investment performance, and maintenance of a higher level of cash balances would likewise result in lower Fund investment performance during periods of rising markets.

DISTRIBUTION POLICY

In accordance with the Articles of Incorporation, the Board of Directors may decide whether and to what extent net investment income and net realised capital gains will be distributed with respect to the Fund.

Distributions to the Shareholders of Distributing Share Classes generally will be declared and paid monthly or quarterly on or about the last Business Day of the relevant quarter. Shareholders of Accumulating Share Classes who wish to receive the earnings of the Fund must request a redemption of Shares, in accordance with the terms governing redemptions.

Distributions other than monthly or quarterly frequency may be decided by the Board of Directors.

No distribution may be made as a result of which the total net assets of the Company would become less than the equivalent of €1,250,000.

Claims for distributions and allocations not asserted within five years following due date are not valid any longer and the relevant amounts revert to the Fund.

The Board of Directors may determine on behalf of the Fund to use an accounting technique known as income equalisation to prevent distortion of current Shareholders' earnings. Further information on this is included in the Taxation section.

RISK MANAGEMENT

Risk Management System

An integral part of the AIFM's control framework is the permanent risk management function. The permanent risk management function is functionally and hierarchically separated from the operating units of the Company, including from the function of portfolio management. The permanent risk management function has the necessary authority and access to all relevant information to allow it to propose policies and procedures to the board of the AIFM in order to manage and control the risks relevant to the Fund.

The AIFM maintains a framework of policies and procedures aligned to those of the Wellington Management group to identify, measure, monitor, manage, and report on all risks relevant to each fund of the Company.

Identification of risks and maintenance of the risk management process

Identification of the risk profile for each fund of the Company occurs prior to portfolio launch. The risk management function works with other relevant Wellington Management functions to review the investment strategy of the portfolio in order to identify and document its risk profile, and to establish limits for applicable quantitative risk measures.

The identified risk profile for each new fund is reviewed to ensure that risks relevant to the fund can be monitored using the current risk tools and processes in place. Changes to risk management processes are made as necessary.

The risk profile of the Fund is reviewed on a periodic basis, when there has been a substantive change to the investment objective or policy, or when the use of new instruments is contemplated to determine if a change in the risk profile is required. If a change in the risk profile is recommended, it is reviewed against the current risk systems and processes and any updates to these processes are made if necessary.

Monitoring

Regular measurement and monitoring of the relevant risks for each fund of the Company occurs on an ongoing basis. The permanent risk management function receives regular reports that includes, but may not be limited to, details on the current levels of market, liquidity, credit, and counterparty risk, as applicable.

Each fund of the Company has set quantitative limits for the risks noted above.

The permanent risk management function conducts regular qualitative reviews of risks of each fund of the Company to ensure that the processes and procedures in place to control such risks remain appropriate.

Reporting

The permanent risk management function provides reports to the conducting officers of the AIFM on a monthly basis to provide detail on the Fund's current level of risk relative to its stated risk profile. Risk reports are provided to the board of the AIFM on a quarterly basis, to provide detail on current risk levels relative to the Fund's limits, as well as details on trends or other topics that the conducting officers determine to be of interest to the board of the AIFM.

Ongoing review and assessment of the permanent risk function

The framework of policies, procedures, and systems employed by the permanent risk management function will be reviewed on a regular basis to ensure that it continues to allow the risk management function to identify measure, monitor, manage, and report on risks that are relevant to the Fund.

Leverage

Leverage is determined by the AIFMD as being any method by which the exposure of the Fund is increased whether through borrowing of cash or transferable securities, leverage embedded in derivative positions or by any other means.

Leverage is monitored on a regular basis and shall not exceed a level disclosed in the above “Investment Objectives and Policies” section. The maximum leverage for the Fund is set out in such section and calculated in accordance with the “gross” and “commitment” methods set out in the AIFMR. The Board of Directors or the AIFM may change the maximum level of leverage from time to time.

Collateral Management and Reuse

The Fund delivers collateral from time to time to counterparties (e.g. counterparties to over-the-counter transactions) under the terms of its agreements with such counterparties (e.g. ISDA master agreements and other trading agreements), by posting initial margin and on a daily mark-to-market basis. The Fund may also deposit collateral as security with a broker. There are generally no restrictions on the use of collateral by such counterparties and brokers, except certain circumstances where the Company has entered into a tri-partite arrangement under which a third party holds the collateral as custodian and the counterparty or broker may only use such collateral for its own purposes if the Company has defaulted under the agreement, or where there are regulatory or contractual restrictions on the right of reuse of collateral.

The Fund receives collateral from time to time from counterparties (e.g. counterparties to over-the-counter transactions) under the terms of its agreements with such counterparties (e.g. ISDA master agreements and other trading agreements). The Fund may reuse collateral to cover short sales and may enter into efficient cash management arrangements for the benefit of the Fund (such as investing cash collateral in money market funds or entering into repurchase and reverse repurchase agreements).

Liquidity Management

In accordance with the AIFMD, the AIFM has adopted appropriate liquidity management tools and procedures to measure the liquidity risk of the Fund, so as to ensure that the liquidity profile of the Fund’s investments are in line with its obligations and notably that it will be in a position to satisfy the Shareholders’ redemption requests in accordance with the provisions of this Offering Memorandum and the Articles of Incorporation.

The AIFM performs stress tests, on a regular basis, simulating normal and exceptional circumstances in order to assist in evaluating and measuring the liquidity risk of the Fund.

If deemed necessary, the AIFM may recommend to the Board of Directors to take the appropriate measures in order to ensure the liquidity of the Fund and notably the imposition of deferred redemptions (as noted in sub-section “Redemption of Shares” above), a suspension of dealings (as noted in sub-section “Suspension of the Valuation of the Total Net Assets and of the Issue, Conversion and Redemption of Shares” above), and/or a dilution levy (as noted in sub-section “The Net Asset Value” above).

The AIFM shall ensure that the investment strategy, the liquidity profile and the redemption policy of the Fund are aligned.

The liquidity management policy will be reviewed at least annually and where needed will be updated by the AIFM.

MANAGEMENT AND ADMINISTRATION

The Alternative Investment Fund Manager (“AIFM”)

WELLINGTON LUXEMBOURG S.à r.l. is an alternative investment fund manager within the meaning of the AIFMD, registered and authorised by the CSSF to act as AIFM.

The AIFM has been appointed by the Company as its external alternative investment fund manager pursuant to the terms of an Alternative Investment Fund Management Agreement which took effect as from 28 November 2016.

In the context of its appointment, the AIFM is responsible for the portfolio management of the Fund and exercising the risk management function in respect of the Fund, as well as other additional functions exercised in the management of the Company or other activities related to the assets of the Company, as agreed from time to time with the Board of Directors. The AIFM has delegated portfolio management of the Fund's assets to the Investment Manager as described below.

In the fulfilment of its risk management function, the AIFM implements appropriate risk management systems in order to detect, measure, manage and follow in an adequate manner all risks relating to the Investment Policy of the Fund. As such, the AIFM shall ensure that the risk profile of the Fund is appropriate in light of the size, portfolio's structure, strategies and investment objectives of the Fund.

The valuation function is performed by the AIFM itself in accordance with the AIFMD, applicable law, its Articles of Incorporation and the AIFM valuation procedures. The valuation function is functionally independent from the portfolio management function. The AIFM has adopted a remuneration policy and other measures to ensure that conflicts of interest are mitigated and to prevent undue influence upon its employees.

In the context of its activities, the AIFM must at all times:

- act honestly, with due skill, care and diligence and fairly in conducting its activities;
- act in the best interests of the Fund or its Shareholders and the integrity of the market;
- have and employ effectively the resources and procedures that are necessary for the proper performance of its business activities;
- take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Shareholders and to ensure that the Fund is treated fairly;
- comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of the Fund or its Shareholders and the integrity of the market;
- treat all Shareholders fairly.

The AIFM has adopted a conflicts of interest policy and shall ensure that any delegates appointed by it also have a conflicts of interest policy in place. If the AIFM is notified by any delegate of any conflict of interest which has arisen, the AIFM will in turn notify the Board of Directors thereof.

The AIFM has adopted a best execution policy in order to obtain the best result possible when passing orders. Shareholders may obtain from the AIFM upon request the relevant information on that best execution policy.

The AIFM has adopted a voting rights strategy in respect of the Fund's assets. A summary description of the policy as well as the details of the actions taken under such policy are available to the Shareholders upon request to the AIFM.

WELLINGTON LUXEMBOURG S.à r.l. has additional own funds of a sufficient amount to cover the potential liability risks arising out of professional negligence in its capacity as AIFM of the Company.

The Investment Manager

The AIFM has delegated portfolio management of the Fund's assets to the Investment Manager.

An Investment Management Agreement with respect to the Fund has been entered into for an indefinite period of time between the AIFM and the Investment Manager with effect as from 28 November 2016 and may be amended from time to time. This Agreement may be terminated by either party with three months' prior written notice.

Wellington Management Company LLP is a limited liability partnership organised in 2014 under the laws of the State of Delaware, U.S.A., and is registered as an investment adviser with the U.S. Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940, as amended.

Wellington Management Company LLP and its predecessor organisations have provided discretionary investment management services to investment companies since 1928, and to pension plans, endowment funds and other investors since 1960. As of 31 December 2018, the Wellington Management group provided discretionary services for over USD1,003 billion in assets under management.

Under the terms of the Investment Management Agreement, the AIFM has delegated portfolio management with regard to the Fund to the Investment Manager. In the fulfilment of its portfolio management function, the Investment Manager implements, in collaboration with the Board of Directors and the AIFM, the Investment Objective, the Investment Policy and investment restrictions of the Fund and makes any recommendations it considers necessary in relation thereto. It takes investment decisions and manages the Fund's assets in a discretionary manner and with the goal of achieving the Investment Policies and Objectives of the Fund.

The Investment Manager has entered into Sub-Investment Management Agreements with Wellington Management International Ltd., Wellington Management Singapore Pte Ltd, Wellington Management Hong Kong Ltd affiliates and Wellington Management Japan Pte Ltd (the "*Sub-Managers*") in respect of the portfolio management of the Company's assets. One or more of these Sub-Managers may provide portfolio management services to the Fund from time to time. Each of the Sub-Managers has been selected by the Investment Manager upon its proven expertise and/or strategies in a specific field of professional asset management and will manage the assets of the Company under the control and the responsibility of the Investment Manager. The fees of the Sub-Managers shall be paid by the Investment Manager.

Although the AIFMD does not currently require the Investment Manager to comply with the AIFMD rules on regulatory capital (including those relating to professional liability risks), the Investment Manager does maintain an extensive professional insurance program covering the firm and its global affiliates and subsidiaries. This program is designed reasonably to protect the firm against undue financial burdens from insurable events. The program covers, among other items, errors and omissions and employee dishonesty.

The Distributor

According to a Distribution Agreement with effect as from 28 November 2016 concluded between the AIFM and Wellington Global Administrator, Ltd, the latter has been appointed as the Fund's distributor.

The Distributor will receive the distribution co-ordination fee as described under "Charges and Expenses" below.

The Distributor will coordinate, provide for and supervise the distribution of shares indirectly through various sub-distributors or other financial intermediaries pursuant to terms and conditions set out in an appropriate agreement with such intermediaries.

The Distributor is an exempted company organised under the laws of Bermuda.

The Depositary

The Company has appointed State Street Bank Luxembourg S.C.A., with the consent of the AIFM, as the depositary of all of the Company's assets, which will be held either directly by the Depositary or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depositary, clearing systems or securities settlement systems, pursuant to the terms and conditions of a depositary agreement entered into between them ("Depositary Agreement"). In carrying out its roles as depositary, the Depositary must act solely in the interests of the Shareholders.

State Street Bank Luxembourg S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 32771 and has been incorporated under the laws of Luxembourg on 31 January 1990. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. State Street Bank Luxembourg S.C.A. is a bank organised as a *société en commandite par actions* in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg.

Depositary's functions

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2007 Law and the AIFM Law.

The principal duties of the Depositary are as follows:

- a) safe-keeping of the assets of the Company that can be held in custody (including book entry securities) and record-keeping of assets that cannot be held in custody in which case the Depositary must verify their ownership;
- b) ensure that the Company's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of investors upon the subscription of Shares have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;
- c) ensure that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable laws and the Articles of Incorporation;
- d) ensure that the value of the Shares is calculated in accordance with applicable laws, the Articles of Incorporation and the valuation procedures;
- e) carry out the instructions of the Company or of the AIFM, unless they conflict with applicable laws or the Articles of Incorporation;
- f) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- g) ensure that the Company's income is applied in accordance with applicable laws and the Articles of Incorporation.

Depositary's liability

In relation to the Depositary's safekeeping duties as referred to in paragraph (a) above, in respect of financial instruments that can be held in custody (as defined in article 1 (51) of the AIFM Law), the Depositary is liable to the Shareholders for any loss of such financial instruments held in custody by the Depositary or any delegate of the Depositary to whom safekeeping of those financial instruments has been delegated (a "Sub-Custodian"). The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement within the context of article 19(11) of the AIFM Law.

In the case of such a loss of financial instrument held in custody, the Depositary must return a financial instrument of identical type or the corresponding amount to the Company without undue delay.

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

Moreover, the Depositary may contractually discharge its liability for loss of financial instruments to a Sub-Custodian pursuant to article 19(11) and article 19(13) of the AIFM Law, provided that, where relevant, the conditions of article 19(14) of the AIFM Law are also met. Shareholders will be informed without delay in writing of any changes with respect to the Depositary's liability. The term "loss of financial instruments held in custody" shall be interpreted in accordance with the AIFMR and in particular article 100 of the AIFMR.

The Depositary will be liable to the Company and the Shareholders for all other losses suffered by them arising as a result of its own negligence or intentional failure to properly fulfil its obligations pursuant to the AIFM Law or the Depositary Agreement.

The Company has agreed to indemnify the Depositary from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the negligence, fraud, bad faith, wilful default or recklessness of the Depositary), which may be imposed on, incurred by or asserted against the Depositary in performing its obligations or duties under the Depositary Agreement.

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

Delegation

The Depositary may only delegate its safekeeping functions but not its oversight functions in accordance with applicable laws and the provisions set out in the Depositary Agreement. Additionally, when delegating such functions, the Depositary shall comply with the due diligence and supervisory requirements of the AIFM Law relating to the selection and on-going monitoring of Sub-Custodians. The Depositary shall also ensure that identified conflicts of interest are managed and monitored.

In the event that the law of a particular jurisdiction requires that certain financial instruments be held in custody by a local entity and no local Sub-Custodian has, been identified by the Depositary as being capable of fulfilling the delegation requirements of the AIFM Law, the Company/AIFM shall, prior to the Shareholders investing in those financial instruments, (i) ensure that the Shareholders are duly informed that the delegation is required due to legal constraint in that jurisdiction and (ii) set out for them the circumstances that, in the reasonable opinion of the Company/AIFM, justify such delegation. In the event that the delegation requirements of the AIFM Law are not capable of being fulfilled by a Sub-Custodian after the Shareholder has invested in the Company, the Company/AIFM shall also ensure that the Shareholders are informed of the legal constraints in the relevant law and of the circumstances that, in the reasonable opinion of the Company/AIFM, justify such delegation.

To the extent that a Sub-Custodian is permitted to sub-delegate its functions, it may do so only to the extent that its liability under the AIFM Law is not affected by such sub-delegation.

Conflicts of Interest

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

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

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

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

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

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

The AIFM, the Investment Managers and/or their affiliates may also be a client or counterparty of the Depositary or its affiliates.

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

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

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

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

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

Termination

The Depositary, the Company and the AIFM have agreed an initial term of three years beginning on or around 30 June 2019. The Depositary, the Company or the AIFM may terminate the appointment during or after the initial term for material breach of the Depositary agreement, as required by law or for persistent failures in service level standards. Following the initial term, either the Depositary, the Company or the AIFM may terminate the appointment of the Depositary at any time upon one hundred and eighty (180) days prior written notice. In the case of termination, the Company will appoint a new depositary bank for the Company, with the consent of the AIFM. Termination is, however, subject to the condition that a new depositary bank, who is required to be appointed in principle within two (2) months, assumes the responsibilities and functions of depositary under Luxembourg law. As required by applicable law, the Depositary is not permitted to retire unless and until a successor Depositary has been appointed. In addition, the Depositary's appointment will continue for such further period as may be necessary for the transfer of all assets of the Company to the new depositary bank.

The Administration Agent and Registrar and Transfer Agent

The duties of central administration agent and paying agent have been entrusted to State Street Bank Luxembourg S.C.A. by virtue of an administration agency and paying agency agreement ("Administration Agency and Paying Agency Agreement") including the calculation of the Net Asset Value per Share and assistance in preparation and filing of financial reports and other general functions as more fully described in the Administration Agency and Paying Agency Agreement referred to above.

The duties of registrar and transfer agent have been entrusted to State Street Bank Luxembourg S.C.A. by virtue of a registrar and transfer agency agreement ("Registrar and Transfer Agency Agreement") including the keeping the register of the Company's Shareholders and assisting the Board of Directors in verifying that Investors qualify as eligible investors under the 2007 Law, and other general functions as more fully described in the Registrar and Transfer Agency Agreement referred to above.

The latest Net Asset Value of the Company together with the historical performance of the Company will be available to Shareholders upon request from the Registrar and Transfer Agent.

The Administration Agent and Paying Agent, the Registrar and Transfer Agent, the Company and the AIFM have agreed an initial term of three years beginning on or around 30 June 2019. During or after the initial term, the Administration Agency and Paying Agency Agreement and the Registrar and Transfer Agency Agreement may be terminated for material breach of the agreement, as required by law or for persistent failures in service level standards. The Administration Agency and Paying Agency Agreement and the Registrar and Transfer

Agency Agreement may be terminated by either party at any time after the initial term upon one hundred and eighty (180) days prior written notice. In the case of termination, the AIFM will appoint a new Administration Agent and Paying Agent and/or Registrar and Transfer Agent as the case may be for the Company, with the consent of the Company.

The Fund has no prime broker.

Share Class Currency Management Services

The AIFM has originally appointed State Street Bank Europe Limited (SSBE), to manage currency hedging for certain of the Funds' Hedged Share Classes. SSBE has been acting pursuant to an agreement with effect as from 28 November 2016 entered into with the AIFM (the "**Original Agreement**") to carry out passive currency hedging transactions for certain of the Funds' Hedged Share Classes. With effect from the date that the United Kingdom ceases to be a member of the European Union (the "**Effective Date**"), SSBE wishes to novate all of its rights, obligations and liabilities under the Original Agreement to State Street Bank International GmbH (SSBG) pursuant to the Novation and Amendment Agreement entered into by the parties on or about 11 April 2019. SSBG is a limited company incorporated in Germany. The company was founded in 1970 and is based in Munich, Germany. State Street Bank International GmbH operates as a subsidiary of State Street Holdings Germany GmbH.

CHARGES AND EXPENSES

Administrative Fee

The AIFM shall be paid an administrative fee out of the assets of the Fund which are attributable to the relevant Class.

This administrative fee is calculated as a percentage of the daily net assets of that Class, accrued daily in the net asset value of the relevant Class and paid monthly in arrears. The administrative fee rate will vary across Classes reflecting the differing expenses of Classes, but the maximum administrative fee that is paid shall not exceed 0.25% per annum for the Class S and T Shares and 0.40% per annum for the Class D, N, UD and UN Shares.

The purpose of the administrative fee is to provide a fixed rate of fees covering the expenses of the Fund which expenses might otherwise be subject to fluctuation over time. The administrative fee ensures that the Fund is protected from these fluctuations, which would not be the case if the Fund had chosen to pay such charges directly. Any increase in the maximum rate of the administrative fee shown above will only be implemented upon giving not less than 1 months' notice to affected Shareholders.

The administrative fees are fixed which means that the AIFM, or other Wellington Management affiliate elected by the AIFM will bear any costs and expenses incurred by the relevant Class in any period in excess of the administrative fee charged to the Class, but conversely will be entitled to retain any amount of the administrative fee paid to it which exceeds the actual operating expenses incurred by the relevant Class during any period. The AIFM in its discretion may choose to waive a portion of the administrative fee at any time where the AIFM considers it appropriate to do so taking into account the level of assets in the Fund.

Further the AIFM may instruct the Company to pay a portion of the administrative fee directly out of the assets of the Fund to any third party service providers. In such case the administrative fee due to the AIFM will be reduced by the same amount.

The administrative fee covers the following expenses, if applicable to the relevant Class:

- Depositary fees and reasonable out of pocket expenses;
- Administration Agent fees and reasonable out of pocket expenses;

- Transfer Agent fees and reasonable out of pocket expenses;
- AIFM fees relating to the provision, procuring, overseeing and/or monitoring of various services to the Company and the Fund by the AIFM and its affiliates, including, but not limited to, administrative, domiciliary, corporate, company secretarial, risk management, regulatory compliance and reporting services and fees incurred by affiliates of the AIFM and payable to third parties providing infrastructure and other support services;
- Fees in consideration of the services provided by the Distributor (and its affiliates) in establishing, servicing on an ongoing basis and administering relationships with financial intermediaries and distributors and the cost incurred, including the costs of performing diligence on financial intermediaries/distributors, the additional oversight of third parties service providers, and the provision of additional marketing support;
- Reasonable out of pocket expenses of the Board of Directors;
- Fees of Managers of the AIFM who are not employed by affiliates of the AIFM as well as reasonable out of pocket expenses incurred in discharging their AIFM duties;
- Auditor's fees and reasonable out of pocket expenses;
- Professional costs (including, without limitation, the fees and disbursements of counsel, consultants, tax and other advisers or third party support services) that may be incurred by the AIFM, the Depositary, the correspondents or the Administration Agent while acting in the interest of the Shareholders;
- The cost of taking out and maintaining any insurance policy in relation to the Company, its directors, the AIFM and/or the Managers;
- The Luxembourg *taxe d'abonnement* being 0.01% per annum for all Classes of Shares;
- Any start-up costs associated with the creation of the Fund or class and the offer of its Shares;
- The costs associated with preparing and/or filing, translating, distributing, or maintaining any materials or documents of the Company, including, without limitation, the offering memorandum (as well as any amendments or supplements), KIDs, Fact sheets, websites, annual reports or other documents as may be required under its Articles or under the applicable laws or regulations as well as registration or private placement costs incurred for purposes of distributing Shares of the Company (including any paying agents', lawyers', auditors' and other experts' fee in connection with the foregoing, as well as any administrative charges or taxes incurred) and the costs associated with ratings and/or ranking of the Fund;
- Fees payable to third parties for unit class currency management services in relation to the execution of currency hedging transactions for Hedged Share Classes.

The following expenses are not covered by the administrative fee, are not subject to any maximum limit or cap and will be paid by the Company out of the assets of the Fund:

- Investment management fees;
- Distribution fees;
- All taxes (including, without limitation, all income and franchise taxes but excluding the Luxembourg *taxe d'abonnement*), levies, duties or similar charge which may be due on or with respect to the assets and the income of the Company;
- All costs (including brokerage fees) of purchasing or selling assets of the Company including but not limited to brokerage charges, subscription and redemption charges, anti-dilution levies, implicit transactions costs, costs associated with execution/trading or settlement platforms, costs associated with derivative use and any losses incurred in connection therewith are for the account of the Fund;
- The costs of borrowing including interest expenses;
- Any extraordinary expenses, such as litigation (for instance, fees connected with the filing of class action lawsuits), exceptional measures, particularly, legal, business or tax expert appraisals or legal proceedings undertaken to protect shareholders' interests and all similar charges and expenses.

Such fees, duties and charges will be charged to the Class in respect of which they were incurred or, where an expense is not considered by the Board of Directors to be attributable to any one Class, the expense will be

allocated by the Board of Directors with the approval of the Depositary, in such manner and on such basis as the Board of Directors in their discretion deem fair and equitable.

In relation to the functions performed for the Fund, the AIFM is only authorised to give or receive a remuneration, commission or non-monetary benefit in accordance with the provisions of the AIFMD. Where, and to the extent permitted by the AIFMD, the AIFM gives or receives a remuneration, commission or non-monetary benefit, the AIFM hereby undertakes to disclose the details at the request of any Shareholder. The AIFM is further allowed to pay or receive proper fees necessary for the provision of services such as, without limitation, settlement and exchange fees, legal fees, taxes etc. which by their nature are not incompatible with the AIFM's obligation to act honestly, fairly and in the best interests of the Fund or the Shareholders.

In addition to the foregoing, a Shareholder may be impacted by swing pricing mechanisms and/or an, as described above.

Investment Management Fee

The Investment Manager shall be paid an Investment Management Fee by the AIFM, out of the assets of the Class S, Class D, Class N, Class UD and Class UN Shares. The Investment Management Fee is calculated as a percentage of the daily net assets attributable to the relevant Class, accrued daily in the Net Asset Value of the Class and paid quarterly in arrears at an annual rate of 0.45% for the Class S, Class D and Class N Shares and up to 0.45% for the Class UD and Class UN Shares.

The Investment Management Fee in respect of the Class T Shares is agreed and paid separately by the Shareholders in that Class.

The Investment Manager may in its own discretion rebate out of its own assets all or a portion of its fees to financial intermediaries who purchase or solicit sales of Shares for their underlying clients in accordance with and to the extent permitted by applicable laws. Investors should ask their financial intermediaries about any such payments they may receive, and any associated conflicts of interest they may have in recommending a Fund. Financial intermediaries may impose additional costs and fees in connection with their own programs or services. In addition, and to the extent permitted by all applicable laws, the Investment Manager and the AIFM may negotiate alternative fee arrangements, including rebates on investment management and performance fees, or modify existing fee arrangements for any single Shareholder or financial intermediary. This may include variations in certain aspects of any performance fee, provided that the objective of such arrangements is to improve the quality of the services provided to the Fund and that it does not prevent the Investment Manager or the AIFM from acting in the best interests of the Fund or the Shareholders. For example certain investors (such as personnel of the AIFM or of the Wellington Management group or any other investor of the Fund from time to time as agreed with the Investment Manager or AIFM) may be offered a loss carry forward or different performance measurement periods. Ultimately, this may result in some investors paying lower investment management or performance fees than other investors; in all cases the alternative fee arrangements will be effected via a fee rebate letter from the Investment Manager. Information on the essential terms of such arrangements may be obtained upon request to the Investment Manager or the AIFM.

Distribution Fee

Shareholders in the Class D and Class UD Shares will be paid a Distribution Fee at an annual rate of 0.45% out of Class D and Class UD net assets.

The Distribution Fee is calculated as a percentage of the daily net assets attributable to the Class D and Class UD Shares held by the relevant Shareholder, accrued daily in the net asset value of the Class D and Class UD Shares and paid quarterly in arrears.

The Distribution Fee is paid to intermediaries holding the Class D and Class UD Shares to compensate them for distribution and Shareholder services provided to underlying beneficial owners of the Shares. Investors considering investing via an intermediary should be aware of these fees and the potential for conflicts of interest that they create where, for example, an intermediary might be incentivised to recommend a particular Fund, or Class within a Fund, that has a higher distribution fee.

Third Party Fees

Shareholders should note that although there is no transaction fee charged by the Company, the AIFM or its affiliates, Shareholders may be charged a transaction fee by their financial adviser or the intermediary through which they hold Shares. Where investors are subscribing in Class D or Class UD Shares through a financial intermediary, a preliminary charge of up to 5% of the amount of the investment in the relevant Fund may be payable to the intermediary. Shareholders should consult their financial adviser or the intermediary about any such fees.

TAXATION

The following sections do not purport to deal with all of the tax consequences applicable to the Company or to all categories of Shareholders, some of whom may be subject to special rules and do not constitute tax advice. Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, residence, or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Board of Directors regarding the law and practice in force at the date of this Offering Memorandum. There is no guarantee that tax laws and practices will not change, so that the following general discussion of tax matters is no longer accurate. As it is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

Luxembourg Taxation

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Shares of the Company. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell the Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers of the Shares should consult their own tax advisers as to the applicable tax consequences of the ownership of the Shares, based on their particular circumstances. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this document and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.

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 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*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate Shareholders 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 and to the solidarity surcharge. 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.

Under present Luxembourg law there are no Luxembourg ordinary income, capital gains, estate or inheritance taxes payable by the Company or its Shareholders in respect of their Shares in the Company, except by Shareholders who are domiciled in, or residents of Luxembourg, or by Shareholders who have a permanent establishment or a permanent representative in the Grand-Duchy of Luxembourg to which or whom the Shares are attributable or by Shareholders that are former Luxembourg residents. The Company is, being a fund reserved to Well-Informed Investors, subject to the Luxembourg subscription tax (*taxe d'abonnement*) at the rate of 0.01% (for all Classes of Shares) p.a., based and payable upon the net asset value of the Company on the last day of each calendar quarter.

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Company to the Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

The Board of Directors will use its reasonable endeavours to conduct its operations in a manner which will preclude the Company from being subject to tax (other than taxes incurred on investments held in the Funds, as discussed below) in any jurisdiction other than Luxembourg.

The Company is considered in Luxembourg as a taxable person for VAT purposes without input VAT deduction rights. The Company's activity itself is regarded as exempt from VAT in Luxembourg. According to current Luxembourg legislation, the Company benefits from a VAT exemption for the services received which qualify as fund management services. This includes not only the investment management functions but also functions for administering the Company. Other services (not benefiting from a VAT exemption) supplied to the Company by suppliers established outside Luxembourg would trigger VAT and require the Company to register for VAT in Luxembourg and to self-assess, where applicable, the VAT regarded as due in Luxembourg on taxable services.

No VAT liability in principle arises in Luxembourg in respect of any payments by the Company to its Shareholders to the extent such payments are linked to their subscription to the Company's Shares and thus do not constitute consideration received for any taxable services supplied.

Income derived from the Company's investments held in the Funds may be subject to taxation (including capital gains tax, withholding taxes and duties) in the countries in which such investments are made which may not always be recoverable.

United Kingdom Taxation

The shares shall be widely available and shall be marketed and made available sufficiently widely to reach the intended categories of sophisticated investors and in a manner appropriate to attract those investors.

The Board of Directors intends that the Company should be managed and conducted in such a manner so that the Company does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for UK taxation purposes and that all the trading transactions in the UK of the Fund are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to UK corporation tax on income or chargeable gains arising to it, other than certain UK source income. The Company will not be subject to UK diverted profits tax. The Board of Directors intends that the affairs of the Company are conducted so that these requirements are met, insofar as this is within the Board's control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

The Company may be liable to transfer taxes on acquisitions and disposals of investments. In the UK, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Company on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register in the UK.

The UK Offshore Funds Regime

The Offshore Funds (Tax) Regulations 2009, as amended by the Offshore Funds (Tax) (Amendment) Regulations (the “*Offshore Funds Regulations*”) introduced a new regime for the taxation of investments in offshore funds (as defined in Part 8 of the Taxation (International and other Provisions) Act 2010 (the “*TIOPA*”)) which operates by reference to whether a fund opts into a reporting regime (“*reporting funds*”) or not (“*non-reporting funds*”). In broad terms, a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to H.M. Revenue & Customs and its Shareholders. Once reporting fund status is obtained from H.M. Revenue & Customs for the relevant Classes, it will remain in place permanently, provided that the annual reporting requirements are satisfied.

If an individual Shareholder who is resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a “non-reporting fund” for all periods of account for which the Shareholder holds that interest, any gain accruing to the Shareholder upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (an “*offshore income gains*”) and not as a capital gain.

Alternatively, where an individual Shareholder who is resident in the UK holds an interest in an offshore fund that has been a reporting fund for all periods of account for which they hold an interest, any gain accruing upon sale or other disposal of their holding would be subject to tax as a capital gain rather than income, with relief for any accumulated or reinvested profits which have already been subject to UK income tax on income. Shareholders in non-reporting funds would be subject to tax on income distributed by a non-reporting fund, but not on income retained but not distributed by a non-reporting fund.

A disposal of an offshore reporting and non-reporting fund is generally considered non UK situs for UK resident taxpayers. In the case of Shareholders who are individuals domiciled outside the UK, the gain may be subject to the remittance basis in particular circumstances.

The Board of Directors have been advised that the Shares in the Fund will constitute interests in an offshore fund, as defined for the purposes of TIOPA, with each Fund of the Company treated as a separate “offshore fund” for these purposes.

Certain classes of shares have already applied for and obtained “reporting status”. The reporting status obtained from HMRC for the relevant classes of shares will remain in place permanently so long as the annual requirements are undertaken. A list of the classes of shares which currently have reporting status is available at: <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

The Board of Directors intends to manage the affairs of the Fund so that these upfront and on-going duties are met and will continue to be met for the relevant classes of Shares for each reporting period (as defined for United Kingdom tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders who hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders six months after the year end. The reporting fund status obtained from HMRC for the relevant classes of Shares will remain in place permanently provided the annual requirements are undertaken.

Investors should refer to their tax advisors in relation to the implications of the Fund having obtained such status in respect of certain Classes of Shares.

Taxes on Income

Subject to their personal circumstances, Shareholders who are resident in the UK for UK taxation purposes will be liable to UK corporation tax or income tax annually in respect of dividends or other distributions of an income nature made by the Company, whether or not such dividends or distributions are reinvested. The nature of the charge to tax will depend upon the composition of the relevant assets of the Company.

For individual Shareholders in the UK, effective from 6 April 2016, dividend distributions made from an offshore fund over the dividend allowance (which replaced the tax credit) will be subject to income tax. Dividend distributions from an offshore fund made to corporate Shareholders resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment.

Distributions from offshore funds are not generally considered UK source for UK resident taxpayers. In the case of Shareholders who are individuals domiciled outside the UK, distributions may be subject to the remittance basis in particular circumstances.

UK Corporation Tax – Loan Relationships

Shareholders within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in the UK Corporation Tax Act 2009 (the “*loan relationships regime*”) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and TIOPA, and there is a time in that period when that fund fails to satisfy the “qualifying investments” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

An offshore fund fails to satisfy the qualifying investments test at any time when more than 60% of its assets by market value (excluding cash awaiting investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test.

In the eventuality that the “qualifying investments test” is failed at any time during the life of the Company, the Shares in the Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a corporate Shareholder’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, in such eventuality, a corporate Shareholder who acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

UK Income Tax – Distributions treated as interest

Where an offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets that are qualifying investments as defined above, distributions will not be treated as dividends but as interest in the hands of the individual Shareholder. This means that the relevant tax rates will be those applying to interest. As above the remittance basis may be available to individuals domiciled outside the UK.

Insurance Companies

Shareholders that are insurance companies within the charge to UK taxation holding their Shares in the Fund for the purposes of their long-term business (other than their pensions business) should note that, on the basis that their holding of Shares is an interest in an offshore fund, and subject to the application of the loan relationship provisions described above, they will be deemed for the purposes of UK corporation tax on

chargeable gains to dispose of and immediately reacquire their Shares at market value at the end of each accounting period by virtue of section 212 of the UK Taxation of Chargeable Gains Act 1992 ("*TCGA 1992*"). Such Shareholders should seek their own professional advice as to the tax consequences of the deemed disposal.

Exempt Shareholders

Shareholders who are exempt from UK tax on capital gains and income from investments (such as registered pension schemes) should be exempt from UK tax on any income from, and any gains made on the disposal of their Shares.

Other Tax Matters

The attention of Shareholders subject to UK income tax is drawn to the anti-avoidance provisions of Section 714 of the Income Taxes Act 2007. These provisions deal with the transfer of assets outside the UK which may render certain resident persons liable to income tax in respect of undistributed income profits of the Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Shareholders resident in the UK for taxation purposes should note that "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the Company.

The attention of Shareholders (including individuals, companies and trusts) resident in the UK (and who are, if individuals, also ordinary resident or domiciled in UK) for taxation purposes is drawn to the provisions of section 13 of the TCGA 1992 ("section 13"). Section 13 could be material to any such Shareholder who has an interest in the Company as a "participator" for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Fund (such as on a disposal of any of their investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a "close" company for those purposes. The provisions of section 13 could, if applied, result in a Shareholder with such an interest in the Fund being treated for the purposes of UK taxation of chargeable gains as if a proportionate part of any capital gain or offshore income gain accruing to the Fund had accrued to that person directly; that part being equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Fund. No liability under section 13 could be incurred by such a Shareholder, however, in respect of a chargeable gain or an offshore income gain accruing to the Fund if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one quarter of the gain. In the case of Shareholders who are individuals domiciled outside the UK, section 13 applies subject to the remittance basis in particular circumstances.

Stamp Duties

UK stamp duty, or stamp duty reserve tax, will not be payable on the issue, transfer or redemption of the Shares provided that the register of Shareholders is kept outside the UK. UK stamp duty at the rate of 0.5% of the value of the consideration for the transfer of any Shares is payable on any instrument of transfer of the Shares executed in, or in certain cases brought into, the UK.

Inheritance Tax

An individual Shareholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on a gift of their Shares in the event of death or on making certain categories of lifetime transfer. For these purposes, a transfer of Shares at less than their full market value may be treated as a gift.

German Taxation

The statements regarding the tax regulations are not to be considered exhaustive. They are not a complete analysis of all tax considerations relating to the holding of a Relevant Share Class. They do not constitute legal or tax advice. The comments are limited to certain aspects of current German tax law and practice and may not apply to certain classes of investors.

According to the flat rate tax, introduced by the Corporate Tax Reform Act 2008 and which came into effect on 1 January 2009, all capital income within the meaning of § 20 German Income Tax Act of private German Shareholders will be subject to the flat rate tax independent of the duration of holding periods which is levied at a rate of 25% as well as the solidarity surcharge of (5.5% thereof) and the church tax, if applicable.

Taxation in Germany

On 1 January 2018 the new German Investment Tax Act (the “*new GITA*”) - regime became effective. The new tax regime differs between investment funds and special-investment funds which are investment funds that have to fulfil certain requirements and are generally eligible for institutional and corporate investors only. All Share Classes of the Company will be treated as investment funds. The special-investment fund tax regime will not apply.

Therefore, the following statements refer to the rules applicable to investment funds only. The new investment fund tax regime introduces taxation rules at the level of the Fund in addition to changes regarding the taxation at the level of the Shareholder.

From 1 January 2018 domestic and foreign investment funds will be taxed at fund level with respect to certain German source income. In general, the tax will apply to German dividend income and German real estate income. In the case of German dividend income, the German tax will be withheld at source. For investment funds that applied for the fund status certificate the tax rate will be 15% (including 5.5% solidarity surcharge).

The Shareholder

To account for the systematic change of the investment fund taxation, the new-GITA stipulates a “fictitious” disposal of shares as of 31 December 2017 and a reacquisition of the same as of 1 January 2018. The capital gains will be subject to tax according to the tax rules in place until 31 December 2017. As a consequence, all capital gains derived after 31 December 2017 will be subject to tax according to the new-GITA. The capital gains from the “fictitious” disposal is deferred free of interest until the shares are finally sold or redeemed.

Capital gains of shares acquired before 1 January 2009 (“grandfathered shares”) derived from the “fictitious” disposal as of 31 December 2017 should be tax free for private investors, any capital gains derived from grandfathered shares after 31 December 2017 should be subject to tax for private investors if the capital gains exceed EUR 100.000,00.

Under the rules of the new-GITA, Shareholders will be taxed on a cash flow basis (e.g. generally, upon distribution and upon disposal or redemption of the shares). In addition, the Shareholder will be taxed based on the so-called pre lump-sum amount (“*Vorabpauschale*”) on an annual basis provided the value of the Fund increased during the calendar year. The pre lump-sum amount applies once a year for accumulating classes or, in case of distributing classes, if the distributions are below the base income amount which will be calculated

based on the interest rate published by the Ministry of Finance, the NAV and the distributions during the calendar year.

All taxable income (e.g. distribution, capital gains upon disposal or redemption, pre-lump sum amount, etc.) will be subject to capital income withholding tax of 25% (plus solidarity surcharge and church tax, if applicable) for private investors. For business investors (e.g. shareholders falling either under the rules of the German Income Tax Act or the German Corporate Income Tax Act) the personal tax rate applies.

Shareholders may benefit from a partial tax exemption depending on the fund type according to the definition in Sec. 20, para. 1 of the new-GITA (e.g. "equity funds", "mixed funds" or "debt funds"). The applicable fund type is linked to the percentage of equity investments of a sub-Fund and is generally stated in its terms and conditions. The minimum equity participation rate thresholds are listed below. The Administration Agent of the Fund calculates the daily percentage of equity holdings (i.e., the equity participation rate). The percentage is published on WM Datenservice.

The partial tax exemption applies on all income (e.g. distribution, capital gains upon disposal or redemption of the shares and the so-called pre lump-sum amount ("*Vorabpauschale*")). The percentage of the partial tax exemption depends on the fund type and the investor type. For example, a private investor can benefit from a 30% tax exemption in case of an equity fund according to the new-GITA. In case of a mixed fund the tax exemption would be 15% for a private investor. In a case of a "debt" fund the tax exemption would be 0% for a private investor.

The Fund is classified as a "debt" fund pursuant to the new-GITA having less than 25% of its NAV invested on a continuous basis in equities listed on an organised market.

Tax Risk

The legal and fiscal treatment of funds may change in a way that is unforeseeable and beyond the reasonable control of the Company.

The sub-funds are classified as equity, bond or mixed funds based upon the securities held by the sub-fund and the categorisation of the securities as defined in the new-GITA.

Changes in the investment strategy of a sub-fund are not anticipated. However, such a change could cause a breach of the equity thresholds as defined in the GITA which may lead to a loss of the benefit of the partial tax exemption for the Shareholder. A change in fund status will also lead to a fictitious redemption of the shares and acquisition of the shares based on the new fund tax status. The fictitious gain will be deferred free of interest until the shares are actually sold or redeemed by the Shareholder.

If there is an audit by the German tax authorities, there could be a change of fund category. The change may impact the historic and future taxation of the Shareholder.

United States

Shareholders are hereby notified, in compliance with requirements imposed by the U.S. Internal Revenue Service (the "IRS"), that the U.S. tax advice contained herein (i) is written in connection with the promotion or marketing by the Company and the Investment Manager of the transaction or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The summary is based on Internal Revenue Code of 1986, as amended (the "*Code*"), applicable statutes and regulations, administrative pronouncements and judicial decisions as currently in effect. There can be no assurance (i) that changes in such authorities or their application or interpretation will not be made in the

future, possibly with retroactive effect, or (ii) that the IRS will agree with the interpretation described below as applied to the operation of the Company.

Taxation of the Company

For U.S. federal income tax purposes, the Company expects to be treated as an association taxable as a corporation. The remainder of this discussion assumes that the Company will be so treated.

There are specific exemptions from US federal income tax for non-US persons (including entities and individuals) who restrict their activities in the US to trading in stocks, securities and commodities (including currencies) for their own account. These exemptions may apply regardless of whether the non-US person or their employees conduct such trading through a broker, commission agent, custodian or other agent in the US. These particular exemptions do not apply to a non-US person that is engaged in business activities in the US, other than trading in stocks, securities and commodities (including currencies) for its own account, or if the person is considered a dealer in stocks or securities.

The Company intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the US and, therefore, none of its income (other than certain income from investments in US real property interests, if any) should be treated as “effectively connected” with a US trade or business carried on by the Company. However, in the event that the Company is deemed to be deriving income which is effectively connected with a US trade or business carried on by the Company, such income could be subject to US federal income tax at the graduated rates applicable to US persons, and the Company could also be subject to a branch profits tax on amounts deemed repatriated from the US based on a statutorily calculated dividend equivalent amount.

Certain categories of income (including dividend income and certain types of interest income) that are not effectively connected with a U.S. trade or business but that are derived from U.S. sources will be subject to U.S. withholding taxes. It is anticipated that under current United States tax law rules, substantially all of the United States source interest income to be earned by the Company will be exempt from United States withholding tax. Provided certain documentation requirements are satisfied, the Company will not be subject to any U.S. withholding tax on capital gains or proceeds arising from the sale or exchange of the Company securities, commodities or other assets that are not effectively connected with a U.S. trade or business of the Company (other than withholding on certain income and/or gains from investments in United States real property interest, if any).

Taxation of Non-U.S. Shareholders

The rules described in this section apply to any Shareholder of the Company who is a non-resident alien individual, a foreign corporation, a foreign partnership, or a foreign estate or trust (hereafter a “non-U.S. Shareholder”)

United States federal tax rules provide a specific exemption from US federal income tax to a non-US person (including entities and individuals) which restricts its activities in the US to trading in stocks and, securities for its own account, whether such trading is by the non-US person or its employees, or through a broker, commission agent, custodian or other agent in the US.

Non-U.S. Shareholders who are not engaged in a trade or business within the United States and, if individuals, do not have a “tax home” in the United States, generally will not be subject to any United States federal income, withholding, capital gains, estate or inheritance taxes with respect to the Shares owned by them or any dividends received by them on such Shares.

The above mentioned exemption does not apply to a non-US person that is engaged in business activities in the US, other than trading in stocks and for its own account, or if the person is considered a dealer in stocks or securities. The Company intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income should be treated as “effectively connected”

with a US trade or business carried on by the Company. However, in the event that the Company is deemed to be deriving income which is effectively connected with a US trade or business carried on by the Company, such income could be subject to US federal income tax at the graduated rates applicable to US persons, and the Company could also be subject to a branch profits tax on amounts deemed repatriated from the US based on a statutorily calculated dividend equivalent amount.

Taxation of U.S. Shareholders

Please note that the Company currently does not anticipate offering Shares either directly or indirectly to U.S. investors, unless otherwise permitted by the Board of Directors in its sole discretion.

Foreign Account Tax Compliance Act Provisions (“FATCA”)

The final regulations for the Foreign Account Tax Compliance Act that was enacted on 18 March 2010 by United States Congress as part of the Hiring Incentives to Restore Employment (“HIRE”) Act were issued on 17 January 2013. FATCA is generally effective for payments made after 30 June 2014. The FATCA provisions impose new tax documentation requirements on both a Company and its Shareholders. If the tax documentation requirements are not satisfied, FATCA imposes a 30% withholding tax on certain payments (including dividends, interest and proceeds from the sale of securities) that may be received by a Company or that may be made to a Shareholder on redemption of Shares in the Company.

In order to comply with FATCA, the Company may request additional tax-related documentation from its Shareholders. A Shareholder that fails to comply with such documentation requests may be charged with any taxes imposed on the Company attributable to such investor’s noncompliance under the FATCA Provisions. The Company may, in its sole discretion, redeem such Shareholder’s Shares. While the Company will make reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes imposed or required to be deducted under FATCA to Shareholders whose noncompliance caused the imposition or deduction of the tax, it is possible that complying Shareholders in the Company may be affected by the presence of such non-complying Shareholders.

The Company may find itself subject to an Intergovernmental Agreement (“IGA”) that was entered into between the jurisdiction in which the Company is located and the US Internal Revenue Service, that supersedes certain provisions under FATCA. If the Company is subject to an IGA, the Company will apply the appropriate documentation requirements under the terms of the IGA and will make reasonable efforts to assure that the Company complies with the terms of the applicable IGA.

PURSUANT TO US TREASURY DEPARTMENT CIRCULAR 230, THE COMPANY IS INFORMING THE PROSPECTIVE INVESTORS THAT (A) THE SUMMARY SET FORTH ABOVE IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE US FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THE SUMMARY SET FORTH ABOVE WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE DISTRIBUTOR OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Common Reporting Standard (CRS)

The Organisation for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities (the “CRS”). Luxembourg is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017. Legislation to implement the CRS in Luxembourg was introduced in December 2015 (as part of the implementation of the Council Directive 2014/107/EU amending the Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation and approval of the multilateral competent authority agreement on automatic exchange of financial account information, signed on 29 October 2014). The requirements will impose obligations on the Company and

Shareholders, as the Company will be required to conduct due diligence and obtain (among other things) confirmation of the tax residency, tax identification number and CRS classification of Shareholders in order to fulfil its own legal obligations from 1 January 2016. Further, the Shareholders will be required to permit the Issuer to share such information with the relevant taxing authority. A Shareholder that fails to comply with such documentation requests may be charged with any fines and penalties imposed on the AIFM attributable to such investor's noncompliance under the CRS. The Fund may, in its sole discretion, redeem such Shareholder's shares. While the Fund will make reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any fines and penalties, it is possible that complying Shareholders in the Fund may be affected by the presence of such non-complying Shareholders. The Company will fully comply with CRS regulations.

Income Equalisation

The Company may determine on behalf of the Fund to use an accounting technique known as income equalisation to prevent distortion of current Shareholders' earnings. This is accomplished by applying a portion of the proceeds from Shares issued and redeemed, equivalent on a per Share basis to the amount of undistributed net investment income on the date of the transaction. Apportioned amounts are credited or charged to undistributed income. As a result, distributions of the Share class will be protected from the potential distortions caused by issues or redemptions of Shares. Special rules may apply when a fund operates income equalisation and Shareholders should seek their own professional advice as to the tax consequences of investing in Shares of the Company.

Taxation of Investments Generally

The Company invests on exchanges, and in securities issued by entities which are virtually all domiciled in countries other than Luxembourg. Many of these foreign countries have laws that tax non-resident investors, such as the Company, on income arising from that country. While many of these countries have withholding or other mechanisms that clarify the application and payment of tax, in certain countries there can be uncertainty about how tax law is applied to income earned by the Company and as a result, uncertainty as to the amount, if any, that will ultimately be payable by the Company. While the Company monitors the tax posture from its investment activities, there remains a risk that any one, or several, foreign tax authorities will attempt to collect taxes on investment income earned by the Company, or under financial accounting standards, the Company may be required to accrue for such uncertain taxes. This could happen without any prior warning, possibly on a retrospective basis, and could result in a material loss to the Company's net asset value per Share. The Fund will invest in bank loans. These give rise to complex tax issues in certain jurisdictions, including the U.S., where in certain circumstances the Fund may be treated as engaged in a U.S. trade or business and taxed accordingly on earnings/gains from U.S. bank loans.

The income and/or gains of the Company from investments may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. The rate of withholding tax therefore, may vary from the rate applied to the benchmark against which Company performance is measured where a net of tax benchmark is used. If this position changes in the future and the application of a lower rate results in repayment to the Company, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the existing Shareholders ratably at the time of repayment.

Generally, Shareholders must include in computing their income for tax purposes the amount of the net income, and the taxable portion of the net realised capital gains, paid or made payable to them in the year by the Company, even if such amount is reinvested in additional shares. Generally, Shareholders must also report in their tax returns any capital gains realised on the disposition of shares which may include a switch between Classes of the same Company, a switch among Funds, a switch between different funds and/or a liquidation of the Fund or the Company.

Shareholders should consult their own tax advisors concerning the deductibility of management fees paid directly to the Manager.

The above statements are only intended as a general summary of the current position under current tax law and practice of Shareholders who are the absolute beneficial owners of Shares who hold such shares as an investment and their applicability will depend upon the particular circumstances of each Shareholder. In particular, these statements may not apply to certain Classes of Shareholders (such as financial institutions). The summary is not exhaustive and does not generally consider tax relief or exemptions.

Prospective Shareholders are advised to consult their own tax advisors on the tax implications for them of investing, holding and disposing of Shares and receiving distributions in respect of Shares.

LIQUIDATION AND MERGER

1. Liquidation of the Company

The Company is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. This meeting will be convened in compliance with Luxembourg law:

- If the net assets of the Company fall below two-thirds of the minimum capital as required by law (€1,250,000), the decision will be taken by a simple majority of the Shares represented at the meeting; and
- If the net assets of the Company fall below one-fourth of the minimum capital as required by law, the decision will be taken by the shareholders holding one-quarter of the Shares present at the meeting.

Should the Company be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law of 2007 which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of the Fund shall be distributed to the Shareholders of each Class of the Fund in proportion to their respective holdings of such Class.

2. Termination and liquidation of Funds or Classes of Shares

2.1 In the event that, for any reason, the Board of Directors determines that (i) the net asset value of any Fund or Class of Shares has decreased to, or has not reached, the minimum level for that Fund or Class of Shares to be managed and/or administered in an efficient manner, or (ii) changes in the legal, economic or political environment would justify such termination, or (iii) a product rationalisation or any other reason would justify such termination, the Board of Directors may decide to redeem all Shares of the relevant Fund or Class of Shares at the net asset value per share (taking into account actual realisation prices of investments, realisation expenses and liquidation costs) for the Valuation Date in respect of which such decision shall be effective, and to terminate and liquidate such Fund or Class of Shares.

2.2 The Shareholders will be informed of the decision of the Board of Directors to terminate a Fund or Class of Shares by way of a notice and/or in any other way as required or permitted by applicable laws and regulations. The notice will indicate the reasons for and the process of the termination and liquidation.

2.3 Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, the general meeting of shareholders of a Fund or Class of Shares may also decide on such termination and liquidation and have the Company compulsorily redeem all Shares of the relevant Fund or Class of Shares at the net asset value per share for the Valuation Date in respect of which such decision shall be effective. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

2.4 Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the net asset value applicable to the compulsory redemption. Shareholders in the Fund or Class of Shares concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determine that it would not be in the best interests of the Shareholders in that Fund or Class of Shares or could jeopardise the fair treatment of the Shareholders.

2.5 Redemption proceeds which have not been claimed by the Shareholders upon the compulsory redemption will be deposited, in accordance with applicable laws and regulations, in escrow at the *Caisse de Consignation* on behalf of the persons entitled thereto. Proceeds not claimed within the statutory period will be forfeited in accordance with laws and regulations.

2.6 All redeemed Shares may be cancelled.

3. Merger, absorption and reorganisation

3.1 Under the same circumstances as provided for by paragraph 2.1 above, the Board of Directors may decide to merge, in accordance with applicable laws and regulations, the Company or any Fund or Class of Shares of the Company (the “Merging Entity”) with (i) another Fund or Class of Shares of the Company, or (ii) another Luxembourg specialised investment fund organised under the 2007 Law or fund or class of shares thereof, or (iii) another Luxembourg undertaking for collective investment organised under the law of 17 December 2010 concerning undertakings for collective investment, as amended, or fund or class of shares thereof, or (iv) another foreign undertaking for collective investment or fund or class of shares thereof (the “Receiving Entity”), by transferring the assets and liabilities from the Merging Entity to the Receiving Entity, or by allocating the assets of the Merging Entity to the assets of the Receiving Entity, or by any other method of merger, amalgamation or reorganisation, as may be applicable, and, following a split or consolidation, if necessary, and the payment to Shareholders of the amount corresponding to any fractional entitlement, by re-designating the Shares of the Merging Entity as shares of the Receiving Entity, or by any other method of reorganisation or exchange of shares, as may be applicable.

3.2 Such decision will be published to Shareholders of the Merging Entity in the same manner as described in paragraph 2.2 above one month before it becomes effective (and, in addition, the publication will contain information in relation to the Receiving Entity), in order to enable Shareholders of the Merging Entity to request redemption of their Shares, free of charge, during such period. Exceptions may apply if the Receiving Entity is a Class of Shares of a Fund of the Company. Subject to applicable laws and regulations, Shareholders of the Merging Entity who have not requested redemption will be transferred to the Receiving Entity.

3.3 Such a merger does not require the prior consent of the Shareholders except where the Company is the Merging Entity entity which, thus, 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 with no quorum requirement and adopted by a simple majority of the votes validly cast.

3.4 The Board of Directors may decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Company or one or several Funds or Classes of Shares of (i) another Luxembourg specialised investment fund organised under the 2007 Law or fund or class of shares thereof, or (ii) another Luxembourg undertaking for collective investment organised under the law of 17 December 2010 concerning undertakings for collective investment, as amended, or fund or class of shares thereof, or (iii) another foreign undertaking for collective investment or fund or class of shares thereof (the “Absorbed Entity”). The exchange ratio between the relevant Shares of the Company and the shares or units of the Absorbed Entity will be calculated on the basis of the relevant net asset value per share or unit as of the effective date of the absorption.

3.5 Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, the general meeting of shareholders, as the case may be, of the Company, a Fund or Class of shares, may also decide on such merger or absorption and have the Company perform the necessary transfers, allocations, merger, amalgamation, absorption, re-designations and/or exchanges or other methods of reorganisation or exchange. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution adopted by a simple majority of the votes validly cast.

3.6 Special approval and/or majority requirements may apply in compliance with applicable laws and regulations where the Merging Entity shall be merged into a foreign Receiving Entity, or into a Receiving Entity which is not of the corporate type (*fonds commun de placement* or foreign equivalent).

3.7 Under the same conditions and procedure as for a merger, the Board of Directors may decide to reorganise a Fund or Class of Shares by means of a division into two or more Funds or Classes of Shares.

CONFLICT OF INTEREST

The core service providers of the Company, including but not limited to the AIFM, the Investment Manager and their respective individual employees, are or may be involved in other investment and professional activities. These activities may include management of other funds and accounts, purchases and sales of securities, investment and management counselling, and brokerage services, and can from time to time include serving as directors, officers, advisers, or agents of other funds or other companies, including companies in which the Fund may invest. These activities may on occasion cause conflicts of interest with the

management of the Fund, and each of the core service providers are to ensure that the performance of their respective duties will not be impaired by any such involvement. Further, the AIFM and/or the Investment Manager, and each of the core service providers take reasonable steps to identify, prevent, manage and monitor conflicts of interest and seek to prevent them from adversely impacting the Fund.

The AIFM, the Investment Manager and their affiliates and their respective individual employees may be involved in advising other investment funds and accounts that have similar or overlapping investment objectives to those of the Fund. The AIFM, the Investment Manager and their affiliates and their respective individual employees may cause these funds and accounts to invest in similar or the same securities as the Fund, but the AIFM or the Investment Manager may from time to time take actions with respect to investments that differ from those taken by the Fund with respect to the same securities due to cash flows, variability in subscriptions and redemptions, or for other reasons. Further, various personnel of the AIFM or the Investment Manager and its affiliates may have differing views on any given investment. As such, regardless of the similarities in strategy employed by the AIFM or the Investment Manager for two different clients, the AIFM or the Investment Manager may take opposite positions with respect to an investment for different accounts (e.g. buy securities on behalf of one account while taking a short position on behalf of another (in each case consistent with the investment objectives of the client, and the investment viewpoints of the relevant portfolio manager or managers)).

It is not always possible or consistent with the various investment objectives of the various accounts managed by the AIFM or the Investment Manager for the same investment positions to be taken or liquidated at the same time or at the same price. The AIFM or the Investment Manager may, however, aggregate orders when purchasing or selling the same securities for the Fund and other accounts advised by the AIFM or the Investment Manager or their affiliates. In any event, pursuant to the AIFM or the Investment Manager's respective allocation policies and procedures, allocations of purchases and sales will, to the extent possible, generally be made on a pro rata or an otherwise fair and equitable basis among all accounts managed by the AIFM, the Investment Manager and their affiliates. That said, it is not expected that the performance of the Fund will necessarily be identical or even substantially similar to the performance of any similarly managed account.

In selecting brokers or dealers for specific transactions, the AIFM or the Investment Manager use their best judgement to choose the broker or dealer most capable of providing the brokerage and execution services necessary to obtain best available price and most favourable execution. The AIFM or the Investment Manager will consider the full range of brokerage services applicable to a particular transaction when making this judgement. When the AIFM or the Investment Manager determine that more than one broker or dealer can offer the brokerage and execution services needed to obtain best available price and most favourable execution, consideration may be given to selecting those brokers or dealers which also supply research services of assistance to the AIFM or the Investment Manager in fulfilling its investment management responsibilities to the Fund and to the AIFM or the Investment Manager's other clients.

The Investment Manager may assist the AIFM in the valuation of Fund assets from time to time. There is a possible conflict of interest because the Investment Manager receives a fee which increases as the value of the Fund increases. The AIFM has established a valuation function and as part of its functions, it monitors such conflicts and their management.

Prospective investors and Shareholders should be aware that the AIFM, the Investment Manager, their affiliates, or their personnel individually may invest their own assets in the Fund. Certain terms of investing in the Fund (e.g. the Minimum Initial Subscription) may be waived for the AIFM, the Investment Manager, their affiliates, their personnel and other Shareholders with investment management or other relationships with the AIFM or the Investment Manager. In addition, the AIFM, the Investment Manager, their affiliates or their personnel may have access to information about the Fund that is not available to other Shareholders in the Fund, or may have access to information on a more timely basis than other Shareholders. Further, redemptions from the Fund at the initiative of the Investment Manager, the AIFM, their affiliates or their personnel may have an adverse impact on the Fund. The AIFM or the Investment Manager takes reasonable steps to seek to prevent uneven access to portfolio-related information from adversely impacting the portfolios

of its clients (including the Fund).

If the Fund were considered a proprietary account of the Investment Manager, the Fund may be subject to restrictions or limitations in its trading or investment under the Investment Manager's policies and procedures designed to comply with applicable law and its obligations to its clients. The Investment Manager may seek to hedge or otherwise offset the market risk that arises from its investment in a Fund.

The Investment Manager has issued a document titled "Our Business and Practices" which outlines significant policies and practices of the Investment Manager. This document also identifies additional potential conflicts of interest that are associated with the Investment Manager's and its affiliates' business, and explains the various approaches the Investment Manager and its affiliates respectively take to managing those conflicts.

The AIFM has developed appropriate policies and procedures in order to mitigate conflicts of interest while ensuring fair treatment between Shareholders and ensuring that the Fund is treated in an equitable manner which are available upon request.

Shareholders should be aware that management of conflicts of interest can lead to a loss of investment opportunity or to the AIFM having to act differently than the way it would have acted in the absence of the conflicts of interest. This may have a negative impact on the performance of the Fund.

The Investment Manager and/or its affiliates may provide seed capital to any of the sub-funds. When either subscribing for such Shares where there are net redemptions or redeeming such shares where there are net subscriptions in a sub-fund, the Investment Manager or affiliate may benefit to the extent the net subscriptions or redemptions for Shares in the sub-fund on that Dealing Day trigger a swing pricing adjustment as described in this Offering Memorandum.

FAIR AND EQUITABLE TREATMENT OF SHAREHOLDERS

The AIFM shall ensure that its decision-making procedures and its own organisational structure ensure the fair treatment of Shareholders. In addition, the AIFM shall ensure on an on-going basis that all Shareholders shall be treated fairly and equitably, and no right shall be granted to any Shareholder that is inconsistent with this principle. Shareholders may, however, be treated differently in areas where this does not conflict with the above principle (e.g. with respect to requests for customised reporting and fee arrangements); please also refer to the section "Charges and Expenses" in this respect. Any preferential treatment accorded by the Board of Directors, or the AIFM with respect to the Company, to a Shareholder will not result in an overall material disadvantage to other Shareholders.

INFORMATION TO SHAREHOLDERS

The annual audited report prepared in accordance with the AIFMD will be published and will be sent to Shareholders and made available to Shareholders at the registered office of the Company and Registrar and Transfer Agent within six months of the close of the financial year. The annual report shall include reports on the Company in general and on the Fund.

The annual report will contain:

1. audited financial statements of the Company as well as individual information on each Fund. The audited financial statements include a balance sheet, profit and loss account and the auditor's report;
2. a detailed report of the Company's activity and the management of its assets;
3. any material changes to the information required to be disclosed under the AIFM Law during the accounting year to which the annual report refers; and
4. information regarding the remuneration paid by the AIFM to its employees.

The following information will be disclosed to Shareholders periodically by a separate mailing or in the annual report:

1. the percentage of the Fund's assets that are subject to special arrangements arising from their illiquid nature;
2. any new arrangements for managing the liquidity of the Fund;
3. the current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks; and
4.
 - a. any changes to the maximum level of leverage that the AIFM may employ on behalf of the Fund;
 - b. any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; or
 - c. the total amount of leverage employed by the Fund.

The Company's fiscal year starts on 1 October and ends on the last day of September each year.

Separate accounts are drawn up for each fund if the Company offers multiple funds. Following conversion into the Company's base currency, the total of the funds represents the Company's assets.

Other information on the Company as well as on the Net Asset Value, and the issue, conversion and redemption prices of the Company's Shares, may be obtained on any Luxembourg bank working day at the registered office of the Company and of the Registrar and Transfer Agent. Further, information on the latest price of Shares can be found at the website set forth in the Fact Sheets, and historical performance of the Fund will be made available in the Fact Sheets. The Fact Sheets will be made available to all Shareholders before they invest in the Fund, and from time to time after an investment is made, through InSite and/or by email.

Any information relating to a suspension of the calculation of the Net Asset Value as well as of the issue, conversion and redemption of Shares, and all notifications to Shareholders shall be sent by registered mail to the Shareholders at the address inscribed in the register of Shareholders. In addition, the Board of Directors may decide to inform Shareholders by any other means.

Information about the Company and its funds is provided to Shareholders listed on the Company's register. Those who have a beneficial ownership in Shares but who are not listed on the Share register (e.g. those investors purchasing Shares through a nominee) may not receive all information disseminated to registered Shareholders.

The information required to be disclosed to Shareholders pursuant to article 21 of the AIFM Law is included in this Offering Memorandum.

The annual general meeting of Shareholders will be held within six (6) months of the end of each financial year in the Grand Duchy of Luxembourg or, if any such day is not a Business Day, the annual general meeting will be held on the next following Business Day at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies' Register and published at least fifteen (15) days before the meeting on the *Recueil électronique des sociétés et associations* and in a Luxembourg newspaper and sent to the holders of registered Shares by post at least eight

(8) days before the meeting at their addresses shown on the register of Shareholders. Alternatively, the convening notice may be exclusively made by registered mail or, if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to information, by such means of communication. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They also will refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 450-1 and 450-3 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of Incorporation of the Company.

Each whole Share confers the right to one vote. The Board of Directors may suspend the voting rights of any Shareholder in breach of his obligations as described in this Offering Memorandum, the Account Opening Agreement or the Articles of Incorporation. The vote on the payment of a dividend (if any) on any Class requires a separate majority vote from the meeting of shareholders of the Fund or the Class concerned. Any change in the Articles of Incorporation effecting the rights of a Class must be approved by a resolution of both the general meeting of the Company and the Shareholders of the Class concerned.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the Board of Directors relating to transactions in connection with the management of the Company.

Information regarding the percentage of the Fund's assets subject to special arrangements arising from their illiquid nature and the leverage employed by the Fund will be disclosed periodically to Shareholders in the Fact Sheets (which are distributed to investors from time to time as set forth herein).

Information regarding any material changes to liquidity management systems and procedures, the activation of any liquidity management mechanisms, changes to the maximum level of leverage which may be employed by the Fund, rights granted to reuse collateral, and guarantees granted under leveraging arrangements will be disclosed without undue delay to Shareholders via InSite, by email, and/or by registered mail to Shareholders at the address inscribed in the register of Shareholders.

Information regarding the risk profile of the Fund, the Company's risk management systems, the measures used to assess the Fund's sensitivity to relevant risks, risk limits exceeded and/or likely to be exceeded and measures taken to remedy such situations will be disclosed periodically (e.g. at the same time as the annual audited report).

APPLICABLE LAW AND JURISDICTION; GOVERNING LANGUAGE

The Articles of Incorporation are governed by the laws of the Grand-Duchy of Luxembourg. Any dispute arising between the Shareholders, the AIFM and the Depositary will be submitted to the jurisdiction of the Tribunal d'Arrondissement. English shall be the governing language of this Offering Memorandum and of the Articles of Incorporation.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company and the Registrar and Transfer Agent:

1. the Articles of Incorporation;
2. the following agreements:
 - the Alternative Investment Fund Management Agreement between the Company and the AIFM;
 - the Investment Management Agreement between the AIFM and the Investment Manager;
 - the Distribution Agreement between the AIFM and Wellington Global Administrator, Ltd. as Distributor;
 - the Depositary Agreement between the Company, the AIFM and STATE STREET BANK LUXEMBOURG S.C.A., as Depositary;
 - the Administration Agency and Paying Agency Agreement between the Company, the AIFM and STATE STREET BANK LUXEMBOURG S.C.A., as Administration Agent and Paying Agent; and
 - the Registrar and Transfer Agency Agreement between the Company, the AIFM and STATE STREET BANK LUXEMBOURG S.C.A., as Registrar and Transfer Agent.

The agreements referred to above may be amended by mutual consent between the parties thereto.