

## PROSPECTUS

January 2024

## KOTAK FUNDS

KOTAK FUNDS (the "Fund") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The Fund is organised as an investment company with variable capital registered under Part I of the amended Luxembourg law of 17 December 2010 relating to undertakings for collective investment ("Law").

## IMPORTANT INFORMATION

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The shares of the Fund (the "Shares") are offered solely on the basis of the information and representations contained in this Prospectus, the relevant KIID (as defined hereafter) and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The Shares may be listed on the Luxembourg Stock Exchange. The Directors of the Fund may decide to make an application to list the Shares on any other recognised stock exchange. However no assurance can be given that the Shares may be listed on any stock exchange.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund or from the Fund's website <https://www.kotakamc.sg/ucits>.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the amended Luxembourg law of 17 December 2010 relating to undertakings for collective investment. The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful. The Fund is subject to the overall supervision of Commission de Surveillance du Secteur Financier (CSSF). The address of the CSSF is as follows:

Postal address (P&T):  
L-2991 Luxembourg

Address (Head office):  
283, route d'Arlon  
L-1150 Luxembourg

Phone: (+352– 26 25 1 - 1  
Fax: (+352– 26 25 1 - 601  
E-mail: [direction@cssf.lu](mailto:direction@cssf.lu)

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession of this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

The Prospectus may be translated into other languages. To the extent that there is any inconsistency between this Prospectus and a translation thereof, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Shares are sold.

**United States:** The Shares have not been registered under the United States Securities Act of 1933 (the "1933 Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "1940 Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined in Regulation S under the 1933 Act) except to certain qualified US investors in reliance on certain exemptions from the registration requirements of the 1933 Act and the 1940 Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Fund's Articles of Incorporation restrict the sale and transfer of Shares to any other US Persons and the Fund may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the 1933 Act and the 1940 Act (see under "SUBSCRIPTIONS" below).

**India:** Investors should note that persons resident in India, as that term is defined in Section 2(v) of Foreign Exchange Management Act (FEMA), 1999 of India are not eligible to invest in the Fund.

**Singapore:** The offer or invitation of the Shares of Kotak Funds – India Fixed Income Fund (the "Sub-Fund"), which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Sub-Fund is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and Shares are not allowed to be offered to the retail public. Each of this Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you. If in doubt, you should consult your legal or professional advisor. The MAS assumes no responsibility for the contents of this Prospectus.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, as the same may be amended from time to time.

Where Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law,
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

You should therefore ensure your transfer arrangements comply with the restrictions. You should seek legal advice to ensure compliance with the above arrangement.

By accepting receipt of this Prospectus, and any other document or material issued in connection with the offer or sale of the Shares, a person in Singapore represents or warrants that he is entitled to receive such document in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein.

**Investors should note that references to sub-fund other than the Sub-Fund as defined in this section of the Prospectus are not available to Singapore investors (unless offered separately under a Singapore Prospectus) and is not and should not be construed as an offer of Shares in such other sub-funds in Singapore.**

**United Arab Emirates (excluding the Dubai International Financial Centre and the ADGM (Abu Dhabi Global Market) (UAE):** The Fund is an open ended investment company organized as a Société d'Investissement à Capital Variable (SICAV) under the laws of the Grand Duchy of Luxembourg and is registered under Luxembourg law relating to undertakings for collective investment. The Fund is operated under the requirements of the UCITS Directive and is regulated by Luxembourg's Commission de Surveillance du Secteur Financier (CSSF).

The Sub-Funds have been registered as foreign investment funds with the Securities and Commodities Authority of the UAE (the "SCA"). This Prospectus may not be distributed in the UAE, and no marketing of any financial products or services has been or will be made from within the UAE, other than in compliance with the applicable laws of the UAE, including but not limited to the Chairman of the SCA Board

of Directors Decision No. (9/R.M.) of 2016 Concerning the Regulations as to Mutual Funds, as amended, supplemented or replaced from time to time (the "Mutual Funds Regulations) and the Chairman of the SCA Board of Directors Decision No. (3/R.M.) of 2017 concerning the Organisation of Promotion and Introduction, as amended, supplemented or replaced from time to time (the "Promotion and Introduction Regulations"). Although the SCA has approved the promotion of the Sub-Funds in the UAE by a licensed intermediary as registered with the SCA in accordance with the Promotion and Introduction Regulations, none of the Shares, this Prospectus, the Fund or any Sub-Fund thereof have been approved by the SCA, the Central Bank of the UAE or any other regulatory authority in the UAE. Accordingly, this Prospectus is not intended for circulation or distribution in or into the UAE, other than to persons in the UAE to whom such circulation or distribution is permitted by, or is exempt from the requirements of, the Promotion and Introduction Regulations and other applicable UAE laws and regulations. Pursuant to and subject to the Promotion and Introduction Regulations, this Prospectus can be distributed in the UAE, by a duly licensed promoter, or following a specific reverse solicitation (which is not based on, or the result of, any promotional activity on the part of the Fund, its promoters or distributors of Shares) or to a limited number of sophisticated exempt investors who are not natural persons and who fall under one of the categories of qualified investor listed in the Promotion and Introduction Regulations, namely: (1) an investor who is able to manage their investments on their own, namely: (a) the federal government, local governments, government entities and authorities or companies wholly-owned by any such entities; (b) international entities and organisations; or (c) a person licensed to carry out a commercial activity in the UAE, provided that investment is one of the objects of such person; or (2) an investor who is represented by an investment manager licensed by the SCA (each a "Qualified Investor").

In the case of a reverse solicitation from an investor that is not a Qualified Investor, and provided that such solicitation is not based on, or the result of, any promotional activity on the part of the Fund, its promoters or distributors of Shares, this Prospectus can only be provided in the UAE to a limited number of investors in the UAE who are (a) willing and able to conduct an independent investigation of the risks involved in an investment in such securities, and (b) upon their specific request and in accordance with, and subject to, the provisions of the Promotion and Introduction Regulations and any other applicable law.

Any such offering of the Shares shall only be in compliance with all applicable laws in the UAE.

The Shares may not be offered or sold directly or indirectly to the public in the UAE. This Prospectus does not constitute a public offer of securities in the UAE in accordance with the UAE Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise.

The SCA is not responsible for the failure by any party or parties associated with the Fund or any Sub-Fund thereof in the performance of their duties and functions nor is the SCA responsible for the accuracy and integrity of the information and the details contained in this Prospectus. Responsibility for the accuracy of information contained in this Prospectus and the performance of duties and functions set out in this Prospectus lies with the Fund.

The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

This Prospectus is for the use by the intended recipient only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE unless permitted by all applicable laws in the UAE and any enquiries regarding the securities should be made to the Fund Administrator on +352 474 066 6763. Neither the Shares nor any interests in the Shares may be offered, sold, promoted or advertised directly or indirectly to the public in the UAE.

If you do not understand the contents of this document you should consult an authorized financial adviser.

Dubai International Financial Centre (DIFC)

The Fund is an open ended investment company organized as a Société d'Investissement à Capital Variable (SICAV) under the laws of the Grand Duchy of Luxembourg and is registered under Luxembourg law relating to undertakings for collective investment. The Fund is operated under the requirements of the UCITS Directive and is regulated by Luxembourg's Commission de Surveillance du Secteur Financier (CSSF).

This Prospectus relates to a Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA").

The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorized financial adviser.

This Prospectus is intended for distribution by DFSA authorised firms in compliance with existent laws, rules and regulations applicable in DIFC. The Shares may be offered only to Professional Clients and Market Counterparties (as defined under the DFSA's conduct of business rules) and not be offered to any other category of clients, including Retail Clients (as defined under the DFSA's conduct of business rules).

**Hong Kong:** The contents of this Prospectus have not been reviewed nor endorsed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice. The information contained in this document does not and is not intended to constitute an advertisement or an offer to sell or an invitation to the public or a solicitation of an offer to buy, the Shares referred to in this document nor shall any interests in the Fund be offered or sold to any person in Hong Kong in which an offer, solicitation, purchase or sale would be unlawful under the laws of Hong Kong. The Fund is not authorised as a collective investment scheme by the Securities and Futures Commission ("SFC") in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (Cap 571 of Hong Kong) ("SFO"). The Prospectus has not been approved by the SFC in Hong Kong nor has a copy of it been registered with the Registrar of Companies in Hong Kong and must not, therefore, be issued, or possessed for the purpose of issue, to or by persons in Hong Kong other than (1) professional investors within the meaning of the SFO (as may further be enlarged for certain purposes only in the Securities and Futures (Professional Investors) Rules); or (2) in circumstances which do not constitute an offer to the public for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of Hong Kong) or the SFO. In addition, this Prospectus is distributed on a confidential basis for the intended recipients only, and is not intended for public distribution in Hong Kong and may not be distributed, reproduced, circulated, copied, issued or transmitted to, or possessed by, in any form, (whether or not for the purposes of issue in Hong Kong and whether in whole or part) other than the person to whom the Prospectus has been addressed. No Shares will be issued to any person other than the person to whom the Prospectus has been addressed and no person other than such addressee may treat the same as constituting an invitation for him to invest. An investment in the Fund may not be suitable for everyone. Any investment in the Fund is made subject to the terms of this Prospectus and its supplement(s), the constitutional documents and other relevant documentation of the Fund, which should be read in their entirety.

**Japan:** The Shares of the Fund have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the "FIEL"), and the Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under the Foreign Exchange and Foreign Trade Law of Japan (Law no. 228 of 1949, as amended), a "Resident of Japan"), including Japanese corporations, or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except in compliance with the private placement exemption under the FIEL or otherwise except in compliance with the FIEL and other applicable laws and regulations of Japan.

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable 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 document you should consult your stockbroker, bank manager, accountant or other professional adviser.

### **Data Protection**

**Processing of personal data** – Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of the Fund (the "Controller") will be processed by the Controller or its agents in accordance with the Privacy Notice referred to in the section "Processing of Personal Data" of this Prospectus, a current version of which can be accessed or obtained at the registered office of the Fund and online (<http://kotakamc.sg/ucits>). Investors and any person contacting, or otherwise dealing directly or indirectly with the Controller are invited to and read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

## DIRECTORY

### KOTAK FUNDS

#### R.C.S. Luxembourg B 131 576

Place of incorporation: Luxembourg

#### Registered Office

80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg

#### Mailing Address

80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg

#### Board of Directors

- Christopher Daniel (Chairman), Senior Executive Vice President, Compliance, Kotak Mahindra (UK) Limited, London
- S. Shyam Kumar, President and Head – International Business, Kotak Group
- Ruchit Puri, Chief Executive Officer, Kotak Mahindra (UK) Limited, Singapore Branch
- Shek Chee Seng, Independent Director
- Jérôme Wigny, Partner, Elvinger Hoss Prussen, *société anonyme*, Luxembourg

#### Management Company

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

#### Depositary Bank

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

Place of incorporation: Luxembourg

#### Administrator, Registrar and Transfer Agent and Domiciliary Agent

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

Place of incorporation: Luxembourg

#### Investment Manager

Kotak Mahindra Asset Management (Singapore) Pte. Ltd., 16 Raffles Quay, #35-02 Hong Leong Building, Singapore 048581

Place of incorporation: Singapore

#### Global Distributor

Kotak Mahindra (UK) Limited, 55 Baker Street, London, W1U 7EU, United Kingdom

#### Facilities Agent (for UK)

Kotak Mahindra (UK) Limited, 8th Floor, Portsoken House, 155-157 Minories, London EC3N 1LS, United Kingdom

#### Auditor

Ernst & Young, S.A., 35E avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

#### Legal Advisers in Luxembourg

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

#### Legal Advisers in India

Khaitan & Co, One Indiabulls Centre, 13th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai 400 013, India, [www.khaitanco.com](http://www.khaitanco.com)

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## DEFINITIONS

"Administrator"	Brown Brothers Harriman (Luxembourg) S.C.A., acting as administrative agent of the Fund;
"Annex"	An annex to this Prospectus containing information with respect to a particular Sub-Fund;
"Articles"	The Articles of Incorporation of the Fund as amended from time to time;
"Business Day"	Any day (except Saturday or Sunday and 24 December) on which banks in Luxembourg, and Mumbai and Bombay Stock Exchange and National Stock Exchange in India are open for normal business;
"CHF"	Swiss Franc;
"Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund's Annex;
"Depository Bank"	Brown Brothers Harriman (Luxembourg) S.C.A., acting as depository bank of the Fund;
"Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time;
"Domiciliary Agent"	Brown Brothers Harriman (Luxembourg) S.C.A., acting as domiciliary agent of the Fund;
"EU"	European Union;
"EUR"	Single European Currency;
"Eligible Market"	A Regulated Market in an Eligible State;
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"FPI"	A Foreign Portfolio Investor as defined under the FPI Regulations;
"FPI Regulations"	SEBI (Foreign Portfolio Investors) Regulations, 2019 and any modifications and re-enactments thereof as applicable from time to time;
"Fund"	Kotak Funds;
"GBP"	British Pound;
"Global Distributor"	Kotak Mahindra (UK) Limited;
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions";
"Initial Offering Period"	The period determined by the Directors during which Shares are offered for subscription at a fixed price as specified in the relevant Annex;
"Institutional Investors"	An investor that qualifies as an institutional investor under Luxembourg laws and regulations;
"Investment Advisor"	An entity appointed by the Investment Manager with the consent of the Fund to provide investment advice;
"Investment Manager"	Kotak Mahindra Asset Management (Singapore) Pte. Ltd;
"JPY"	Japanese Yen;
"KIID"	The key investor information document containing information on each Class of Shares of the Fund. For the avoidance of any doubt and where relevant, the references to KIID in this Prospectus shall be understood as references to the packaged retail and insurance-based investment products key information document (as defined in regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("PRIIPs")). The Fund draws the attention of the investors to the fact that before any subscription of shares, investors should consult the KIIDs on Classes of Shares available on the website <a href="https://www.kotakamc.sg/ucits">https://www.kotakamc.sg/ucits</a> . A paper copy of the KIIDs may also be obtained at the registered office of the Fund or of the distributors, free of charge;
"Kotak Group"	Kotak Mahindra Bank and its affiliates and subsidiaries;



"Law"	The law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time;
"Management Company"	FundRock Management Company S.A.;
"Member State"	As defined in the Law;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Minimum Subscription Amount"	The minimum value of the first subscription of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Money Market Instruments"	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"OECD"	Organisation for Economic Co-operation and Development;
"PRIIPs KID"	As and when applicable, the Key Investor Document required in accordance with Regulation EU 1286/2014;
"RESA"	<i>Recueil électronique des Sociétés et associations;</i>
"RBI"	The Reserve Bank of India;
"Redemption Charge"	A charge not exceeding the percentage of the Redemption Price disclosed in the relevant Annex that may be applied to redemptions of Shares;
"Redemption Price"	The price of Shares to be redeemed based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Registrar and Transfer Agent"	Brown Brothers Harriman (Luxembourg) S.C.A., acting as registrar and transfer agent of the Fund;
"Regulated Market"	A market within the meaning of article 4, item 1.21 of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and any other market that is regulated, operates regularly, is recognised and is open to the public;
"SEBI"	The Securities and Exchange Board of India;
"SFDR"	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;
"SFDR RTS"	Means the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.
"Share"	A share of no par value of any Class in the Fund;
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders;
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund;
"Subscription Charge"	A sales commission based on the Subscription Price;
"Subscription Price"	The price of Shares to be issued based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Transferable Securities"	Shall mean: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares,</li> <li>- bonds and other debt instruments,</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul>

	excluding techniques and instruments relating to transferable securities and money market instruments;
"UCITS"	An Undertaking for Collective Investment in Transferable Securities;
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended;
"USD"	currency of the United States;
"Other UCI"	An Undertaking for Collective Investment;
"United States"	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
"US Person"	As defined under "Important Information" of this Prospectus;
"Valuation Day"	Each Business Day, unless otherwise defined for a Sub-Fund;
"1933 Act"	As defined under "Important Information" of this Prospectus;
"1940 Act"	As defined under "Important Information" of this Prospectus.

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

## INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

### Investment Objectives and Policies

The main objective of each Sub-Fund will be to invest in sufficiently liquid transferable securities and other eligible assets in order to provide returns for investors. Under normal circumstances, the Sub-Funds will be fully invested in accordance with the investment policy set out in the relevant Annex. Part of a Sub-Fund's net assets can be held temporarily in liquid assets, including money-market instruments having a residual maturity not exceeding twelve months and demand or time deposits.

The Fund may take any measures and carry out any operation, which it deems useful to the accomplishment and to the development of its object in the broadest sense within the context of the Law. It cannot however guarantee that it will achieve its objectives given financial market fluctuations and the other risks to which investments are exposed.

### Additional Information relating to the subsidiaries of the Fund

The Fund has incorporated, as wholly owned subsidiaries of the Fund (collectively the "Mauritius Subsidiaries"), those companies mentioned in the relevant Annexes. The Mauritius Subsidiaries have as sole object to carry out investment, marketing and advisory services on behalf of the Fund. The use of the Mauritius Subsidiaries and the tax treatment they are afforded is based on the law and practice currently in force in the relevant countries as understood by the Directors after making all reasonable enquiries. **For further information please refer to section on "TAXATION".**

Additionally, the Sub-Funds are now registered with SEBI as FPIs. Accordingly, the Sub-Funds makes investments directly in Indian securities and shall not make any new purchases from the Mauritius Subsidiaries. It will gradually liquidate its investments held through the respective Mauritian Subsidiaries over time.

### **The Indian market has the characteristics of an emerging market.**

### Investment in Emerging and Less Developed Markets

In emerging and less developed markets, the legal, judicial, regulatory and market infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks (including but not limited to higher currency and liquidity risk) for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. The potential for profit or loss from transactions on foreign markets or in foreign currency denominated contracts will be affected by fluctuations in foreign exchange rates. Investments in emerging and less developed markets should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of entire investment in such investments.

### Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

- I. (1) The Fund, for each Sub-Fund, may invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
    - such other UCIs have been authorised under laws which provide that they are subject to supervision considered equivalent by the CSSF to that laid down by Community Law and the cooperation between authorities is sufficiently ensured,
    - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,

- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;and/or
- f) money market instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
  - issued by an undertaking any securities of which are dealt in on an Eligible Market, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts) up to 20% of its net assets for liquidity management purposes in normal market conditions. In exceptionally unfavourable market conditions, on a temporary basis and only for the period of time strictly necessary, this limit may be increased to up to 100% of its net assets, if justified by the best interest of the investors.

- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.
- (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine, where this would lead to investment of more than 20% of its net assets in a single body, for each Sub-Fund:

- investments in transferable securities or money market instruments issued by that body,
- deposits made with a that body, or
- exposures arising from OTC derivative transactions undertaken with that body.

- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for covered bond as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU) 2019/2162"), and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).  
The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or in derivative instruments made with this body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.  
Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC as amended or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, where any Sub-Fund has, in accordance with the principle of risk spreading, invested in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a state accepted by the Luxembourg supervisory authority (being at the date of this Prospectus, OECD member states, Singapore, Hong Kong or any member state of the G20), or by public international bodies of which one or more member states of the EU are members, the Fund may invest 100% of the net assets of any Sub-Fund in such securities, provided that the Sub-Fund holds securities from at least six different issues and the value of securities from any one issue does not account for more than 30% of the net assets of the Sub-Fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

- b) The Fund may acquire for each Sub-Fund no more than:
  - 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the money market instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

The provisions of this paragraph V. are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the

company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or other UCI unless otherwise provided for in the relevant Annex.
- b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by another company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or such other company may not charge subscription or redemption fees on account of the Fund's investments in the units of such UCITS or other UCIs. The Fund will indicate in its annual report the total management fee charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period. The maximum total accumulated management fee will be 3%.
- d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable at the level of each compartment of such UCITS or other UCI.
- e) In case a Sub-Fund may invest more than 10% of its net assets in UCITS or other UCIs, such Sub-Fund may not invest more than 20% of its net assets in a single UCITS or other UCI.  
Investments made in other UCIs may not, in aggregate, exceed 30% of such Sub-Fund's net assets.
- f) For the purposes of this section VI, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of the segregation of obligations of different compartments in relation to third parties is assured
- VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.  
The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.  
If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.  
When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.
- VIII. a) The Fund may, borrow
- i. up to 10% of the net assets of each Sub-Fund provided such borrowings are temporary. The Fund may however acquire foreign currency by means of back-to-back loans.
- ii. up to 10% of its net assets to enable the acquisition of immovable property essential for the direct pursuit of its business.  
The aggregate amount of borrowing pursuant to (i) and (ii) above may however not exceed 15% of the Fund's net assets.
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties.  
This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.
- c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.
- e) The Fund may not acquire either precious metals or certificates representing them.
- IX. a) The Fund needs not comply with the limits laid down in this section "Investment Restrictions" when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently authorised Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their launch.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.



- X. Additional restrictions may be imposed under the FPI Regulations. For more information please refer to section on "GENERAL AND STATUTORY CONSIDERATIONS".
- XI. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund") without the Fund being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund(s); and
  - no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in shares of other Target Sub-Funds; and
  - the Investing Sub-Fund may not invest more than 20% of its net assets in shares of a single Target Sub-Fund.
- Voting rights, if any, attached to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; In any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.
- XII. Under the conditions and within the limits laid down by the Law, the Fund may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.
- a) A Feeder UCITS shall invest at least 85% of its net assets in the units/shares of another Master UCITS.
  - b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
    - ancillary liquid assets in accordance with Article 41(2), second sub-paragraph of the Law;
    - financial derivative instruments, which may be used only for hedging purposes.
  - c) For the purposes of compliance with Article 42 (3) of the Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under (b) with either:
    - the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
    - the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.
  - d) A Master UCITS may not invest in a Feeder UCITS.

## **RISK MANAGEMENT PROCEDURES**

The Management Company, on behalf of the Fund, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise explicitly stated otherwise in the relevant Appendix for a Sub-Fund, all Sub-Funds will employ the commitment approach to calculate their global exposure.

## **FINANCIAL DERIVATIVE INSTRUMENTS**

Each Sub-Fund may, subject to the conditions and within the limits laid down in the Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "Regulations"), invest in financial derivative instruments for efficient portfolio management purposes, investment purposes or to provide protection against risks. Financial derivative instruments include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Fund and the Fund may employ such financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the Law, in the rules and regulations of the CSSF and this Prospectus.

Under no circumstances shall these operations cause the Fund and its Sub-Funds to diverge from its investment policies and restrictions.



The Fund will ensure that the global exposure relating to the use of financial derivatives shall not exceed the total net asset value of a Sub-Fund. The global exposure relating to derivative instruments held in a Sub-Fund will be determined using an approach based on the internal model, taking into consideration all the sources of global exposure (general and specific market risks), which might lead to a significant change in the portfolio's value.

## **USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

The Fund may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, investment purposes or to provide protection against risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. New techniques and instruments may be developed which may be suitable for use by the Fund and the Fund (subject as aforesaid) may employ such techniques and instruments in accordance with the applicable laws and regulations.

To the extent permitted by, and within the limits of, the Law and any related Luxembourg law or any other regulation in force, circulars and positions of the CSSF and, in particular, the provisions of (i) Article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended Law of 20 December 2002 relating to undertakings for collective investment and (ii) CSSF circular 08/356 relating to rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments and (iii) CSSF circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues (as amended or replaced from time to time), each Sub-Fund may, in order to generate capital or additional income or to reduce costs or risk (A) enter into repurchase transactions, either as a buyer or a seller, and (B) engage in securities lending transactions.

Where applicable, cash received as guarantee by each Sub-Fund in relation to one of these operations can be reinvested in a manner compatible with the investment objectives of the Sub-Fund in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and with a rating of AAA or equivalent, (b) short-term bank certificates, (c) money market instruments as defined within the Grand Ducal regulation mentioned above, (d) short-term bonds issued or guaranteed by a Member State, Switzerland, Canada, Japan or the United States or their local public authorities or supranational institutions and undertakings with EU, regional or worldwide scope, and (e) reverse repurchase agreement transactions in accordance with the provisions described in section I.C. a) of the CSSF circular mentioned above. This reinvestment will be taken into account when calculating the overall risk of each Sub-Fund concerned, in particular if it creates leverage.

In particular, fees and cost may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques.

### **Repurchase agreements**

Repurchase agreements, also known as "repos", are financial instruments used in securities and money markets.

Each Sub-Fund may invest in securities subject to repurchase agreements concluded with high quality financial institutions specialised in this type of transactions. Under such agreements, the seller agrees with the buyer, upon entering into the contract, to repurchase the securities at a mutually agreed upon time and price, thereby determining the repo rate during the time of the agreement. This investment technique permits the buyer to earn a fixed rate of return independent from market fluctuations during such period. During the lifetime of a repurchase agreement, the buyer may not sell the securities which are the subject of the agreement either before the repurchase of the securities by the counterparty has been carried out or before the repurchase period has expired.

The Fund will ensure to maintain the importance of purchased securities subject to a repurchase obligation at a level such that it is able, at all times to meet redemption requests from its shareholders. In addition the Fund will ensure that all repurchase agreements may be terminated at any time and that the securities, object of such repurchase agreement, may be recalled at any time.

The Fund may act either as a seller (in a repo) or as a buyer (a reverse repo).

## Securities lending

In relation to securities lending transactions, the Fund must in principle receive for the Sub-Fund concerned security of a value which at the time of the conclusion of the lending agreement must be at least equal to the value of the global valuation of the securities lent and that is equal to at least 100% of the global valuation of the securities lent over the lifetime of such transaction.

All securities lending transactions will be entered into on arms-length commercial terms. The written consent of the Directors is required for any such transactions that are entered into with the Investment Manager or its connected persons.

## Collateral policy

In relation to securities lending transactions as well as other portfolio management techniques (including *inter alia* the use of OTC derivatives, repurchase agreement(s)) and in accordance with its collateral policy, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent.

Such collateral must be in the form of:

- (i) liquid assets (i.e., cash and short term bank certificates, money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty);
- (ii) bonds issued or guaranteed by a Member State of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;
- (iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter;
- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
- (vi) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

When using OTC derivatives and/or efficient portfolio management techniques including repurchase agreements, collateral provided by the counterparties to such transactions shall comply with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received; deviating from the aforementioned diversification requirement, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an issuer as described under point III f) of the section Objectives, policies and restrictions above. Such Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. A Sub-Fund may accept as collateral for more than 20% of its Net Asset Value securities which are issued or guaranteed by an issuer as aforementioned;
- (v) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process;
- (vi) Where there is a title transfer, the collateral received should be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
- (vii) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

## Reinvestment of Collateral

### i. Cash collateral

Cash collateral received by the Fund can only be:

- (i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (iv) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

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

### ii. Non-cash collateral

Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

For counterparties whose exposure arising from OTC financial derivative transactions and efficient portfolio management techniques exceeds 10% of the net assets of a Sub-Fund, the level of collateral received shall at all times equal at least 100% (taking into account any haircut) of the exceeding counterparty exposure.

The income, net of direct and indirect operational costs, arising from securities lending transactions and efficient portfolio management transactions will revert to the Fund. Details of such amounts and the security clearing body or financial institution arranging the securities lending transaction will be disclosed in the financial report of the Fund.

#### Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class.

The following table lists the type of assets that may be held as collateral and the applicable discount rates. The Fund may, on a case by case basis, apply different haircuts and/or amend the following haircuts at any time and at its sole discretion.

TYPE OF SECURITY	DISCOUNT RATES (up to)
<b>Liquid assets:</b>	
i. cash and bank deposits;	0%
ii. money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007 and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty).	0%
<b>Bonds or other debt instruments:</b>	
i. issued or guaranteed by a Member State, a member state of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope; having a residual maturity of	
a. not more than one year	1%
b. having a residual maturity of more than one year but not more than 10 years	5%
c. having a residual maturity of more than 10 years	10%
ii. debt and debt related securities issued by a non-governmental issuer rated at least BBB- by at least one rating agency.	15%

<b>Shares or units issued by / admitted to:</b>	
i. money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;	5%
ii. UCITS investing mainly in bonds/shares;	10%
iii. a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.	20%

If any of the above are denominated in a currency other than the reference currency of the Sub-Fund an additional haircut of up to 5% may be applied.

Use of the aforesaid techniques and instruments involves certain risks (please refer to section "Risk Factors") and there can be no assurance that the objective sought to be obtained from such use will be achieved.

All collateral used to reduce counterparty risk will be held by the depositary or a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

**REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 ON SUSTAINABILITY - RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR (« SFDR »)**

The SFDR, which is part of a broader legislative package under the European Commission's Sustainable Action Plan, has come into effect on 10 March 2021, following which the SFDR RTS have come into effect on 1 January 2023.

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

The Management Company or the Investment Manager identify, analyse and integrate sustainability risks in their investment decision-making process as they consider that this integration could help enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Investment Manager considers that sustainability risk are likely to have a moderate impact on the value of the Sub-Funds' investments in the medium to long term as mentioned below.

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

The Investment Manager is a signatory to the United Nations Principles of Responsible Investing (UNPRI) and Climate Action 100+ and takes into account the principles of Environmental, Social and Governance (ESG) factors and Responsible Investing (RI).

For listed equities, the Investment Manager integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. It believes that integrating ESG analysis into the investment process provides additional insight into an investee company's long-term competitive edge and helps identify risks that financial analysis might not fully consider.

The ESG factors taken into account by the Investment Manager include *inter alia*:

- Governance
  - Shareholder structure
  - Board composition and independence
  - Executive remuneration
  - Diversity

- Environment
  - Carbon emission and its environmental impact
  - Energy consumption and resource efficiency
  - Use of alternative energy sources
- Social
  - Safety of employees
  - Participation of women in the workforce / diversity
  - Corporate Social Responsibility spends
  - Involvement in the production or development of cluster bombs, land mines or weapons for mass destruction

To undertake this analysis, the Investment Manager may use data provided by external ESG providers, proprietary models and local intelligence and may undertake site visits. The companies are then evaluated by the Investment Manager based on their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on an investee company's financials.

### **BMV (Business -Management - Valuation) approach to investment: Incorporation of ESG parameters**

Fundamental analysis is the bedrock of the Investment Manager's investment decisions. Investment Manager's investment philosophy of Business, Management and Valuation (BMV) focuses on sustainability of business and corporate governance. The Investment Manager also believe that ESG issues can influence investment risk and return. Therefore, ESG considerations are incorporated within the fundamental analysis and seek to gain an understanding of the relevant ESG issues applicable to the investments.

- **Business (Focus on sustainability, social and environmental awareness):** This incorporates various factors relating to the sustainability and the scalability of the business. Herein we focus on businesses which have scalable and sustainable models both in terms of business as well as profitability. We analyse companies as going concerns and evaluate companies over a long period of time. While evaluating businesses, the impact of various factors including those related to the environment and social segments are taken into account.

The Investment Manager also seeks to continuously engage with investee companies to understand better their ability to create sustainable value and assess their understanding of ESG parameters which the Investment Manager believes may affect the future of these companies.

- **Management:** This takes into account corporate governance practices of the investee company, its orientation towards social and environmental responsibility, capital allocation policies amongst other factors which would have a bearing on both valuations as well as financials.
- **Valuations:** The Investment Manager believes in growth at reasonable price. Within this framework, the Investment Manager focuses on return ratios and free cash flows of the investee companies. The Investment Manager takes into account ESG factors while arriving at the fair valuation multiple for an investee company. Often, environmental and social factors need to be analysed as long-term risks to the base case valuation. While building the valuation models and assigning multiples, the Investment Manager seeks to incorporate ESG scores from the third party service provider along with its own internal assessment of the investee company This would be one of the key factors determining the target multiple set for the investee company.

The Investment Manager's ESG framework includes the following:

- Articulation of the firm wide strategy and vision
- Instituting governance and oversight framework
- Integration of ESG factors into portfolio management and scenario analysis
- Investment stewardship and engagement with investee companies
- Reporting and disclosures
- Putting in place the talent and infrastructure needed for ESG integration

For each Sub-Fund that promotes environmental and/or social characteristics (within the meaning of Article 8 of the SFDR), information about such characteristics is available in the pre-contractual disclosures set out directly after the Annex of the relevant Sub-Fund.

Further details on the ESG methodology applied by the Investment Manager is available at <https://kotakamc.sg/ESG/#aboutus>.

## Principal Adverse Impacts

For India ESG Fund and India Midcap Fund – The Investment Manager considers the principal adverse impacts of investment decisions on sustainability factors. The principal adverse impacts are considered through individual company ESG risk reports sourced from third party service providers or through direct engagement with the investee companies.

For India Fixed Income Fund - While ESG forms a part of the Investment Manager's decision making process, the Investment Manager does not currently consider principal adverse impacts of investment decisions on sustainability factors due to lack of available and reliable data and unwillingness of certain investee companies (especially unlisted company) to disclose information and lack of engagement opportunities with issuers of fixed income securities (including but not limited to central and state governments) which restrict the scope and feasibility of integrating sustainability factors into our investment process for fixed income securities.

## CONFLICTS OF INTEREST

The Investment Manager and other companies of the Kotak Group and the Management Company may from time to time act as investment manager or adviser or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Investment Manager and other companies of the Kotak Group or the Management Company may, in the course of their business, have potential conflicts of interest with the Fund.

The Directors of the Fund, the Management Company and/or the Investment Manager will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or the Investment Manager or any of their affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event that such a conflict arises, the directors of the Management Company and the directors of the Fund will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

The Fund may avail of temporary financing or borrowing from affiliates of the Investment Manager in order to meet any short term funding requirements subject to the permissible limits under relevant laws in situations where such temporary financing or borrowing are not possible from usual sources such as banks. While such borrowing would be on arms-length basis, the cost of borrowing may be higher than the costs prevailing in the market.

The Fund will execute a significant percentage of its trades through the affiliates of the Investment Manager. For trading services provided to the Fund, the affiliates will charge a fee. This brokerage can result in a potential conflict of interest.

The Investment Manager may invest in stocks of Kotak Mahindra Bank Ltd which is the parent entity of the Investment Manager. The Investment Manager will have appropriate policies to mitigate potential conflicts.

The Investment Manager may aggregate orders for a Sub-Fund with simultaneous transactions entered into on behalf of its other clients (including another Sub-Fund). The Investment Manager has adopted trade allocation procedures that are designed to facilitate the fair allocation of executed transactions among multiple funds and accounts. There is no guarantee, however, that the policies and procedures adopted by the Investment Manager will be able to detect and/or prevent every situation in which an actual or potential conflict may appear and there may be circumstances when purchases or sales of portfolio securities for one or more clients will have an adverse effect on the Investment Manager's clients, including a Sub-Fund.

Kotak Mahindra (International) Ltd., an affiliated entity, undertakes investments on its own account. Kotak Mahindra Asset Management (Singapore) Pte. Ltd. also acts as the investment manager for Kotak Mahindra (International) Ltd. Kotak Mahindra Asset Management (Singapore) Pte. Ltd. may invest in the same securities on behalf of the Fund, in its capacity as Investment Manager to the Fund, as may be undertaken by its affiliates. It is pertinent to note that transactions are undertaken on an arms-length basis and the Investment Manager follows a policy of independence that requires it to disregard proprietary interest.

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. and its affiliates' are a full-service, integrated investment banking, investment management, brokerage and financing group. Kotak Mahindra Asset Management (Singapore) Pte. Ltd.'s affiliates are leading underwriters of securities and participants in virtually all securities trading markets in India and have investment banking and other business relationships with a significant percentage of the companies therein. Therefore, the Fund may invest in securities in companies



in which Kotak Mahindra Asset Management (Singapore) Pte. Ltd. or its affiliates have a financial interest or some other business relationship.

Kotak Mahindra Capital Company Ltd., an affiliate of Kotak Mahindra Asset Management (Singapore) Pte. Ltd., may represent an issuer or prospective issuer of securities in which the Fund invests / has invested. This may create a conflict where a group member represents an issuer in an investment banking capacity in whose securities an advisory client of another group member already holds a stake or may invest in the future.

Moreover, Kotak Mahindra UK Limited as Global Distributor may enter into introducing arrangements of any nature whatsoever permitted by law with affiliated entities and remunerate them for such services. Further, other eligible affiliated entities which procures or introduces investors to the Fund may earn placement fees by distributing Shares of the Fund.

Kotak Mahindra Bank Limited acts as the Professional Clearing Member for clearing trades in the Futures & Options segment of the Indian exchanges in respect of trades in Indian exchange-traded derivatives undertaken by the Fund. The Fund will remunerate Kotak Mahindra Bank Limited for such clearing service. The fees charged for such services are comparable with those currently prevailing for similar services in the market.

## **BOARD OF DIRECTORS AND MANAGEMENT**

Directors:

- Christopher Daniel
- S. Shyam Kumar
- Ruchit Puri
- Shek Chee Seng
- Jérôme Wigny

The Directors are responsible for the overall management and control of the Fund. They will review the operations of the Fund and the Management Company.

## **MANAGEMENT COMPANY**

The Directors of the Fund have appointed FundRock Management Company S.A. as the Management Company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing, investment management and advisory services in respect of all Sub-Funds. In respect of all Sub-Funds, the Management Company has delegated its marketing functions to Kotak Mahindra (UK) Limited and its investment management functions as well as its advisory functions to Kotak Mahindra Asset Management (Singapore) Pte. Ltd.

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

The Management Company was incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg on 10 November 2004 and is approved as a UCITS management company under the Law. As of the date of this Prospectus, the Management Company's capital amounted to EUR 10 million.

The board of directors of the Management Company is composed as follows:

### **Chairman**

- Mr Michel Marcel Vareika, Independent Non-Executive Director, Luxembourg

### **Members**

- Mrs Camel McGovern – Independent Non-Executive Director, Luxembourg
- Mr Karl Führer, Executive Director, Global Head of Investment Management Oversight, FRMC
- Mr David Rhydderch, Non-Executive Director, Apex



The conducting officers of the Management Company are:

- Mr. Franck Caramelle, Conducting Officer – Alternatives Investments
- Mr Khalid Haddad, Conducting Officer – Head of Valuation
- Mr. Emmanuel Nantas, Director – Compliance
- Mr Karl Führer, CO in charge of Marketing
- Mr Hugues Sebenne, CO in charge of Risk Management

The Management Company shall also ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Fund's strategies and investment policy.

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

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

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request.

In accordance with Luxembourg laws and regulations the Management Company has adopted various procedures and policies in accordance with Luxembourg laws and regulations. Shareholders may, in accordance with Luxembourg laws and regulations, obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge.

Pursuant to Article 111 of the Law, the Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are compliant with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Fund or with its Articles of Incorporation and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under UCITS V directive and any related legal and regulatory provisions applicable in Luxembourg.

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

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

Details of the up-to-date remuneration policy of the Management Company, including a description of how remuneration and benefits are calculated, how it is consistent with the integration of sustainability risks and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, where such committee exists, are available at: [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf) . A paper version of this remuneration policy is made available free of charge to investors at the Management Company's registered office.

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

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;

- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

## **INVESTMENT MANAGER**

The Management Company has appointed, upon recommendation and with the consent of the Fund, Kotak Mahindra Asset Management (Singapore) Pte. Ltd. as investment manager (the "Investment Manager") of the Fund.

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. is a company incorporated on 7 March 2014 under the laws of Singapore. Kotak Mahindra Asset Management (Singapore) Pte. Ltd is authorised and regulated in Singapore by the Money Authority of Singapore and holds a Capital Markets Services License to engage in fund management activities. The address of the relevant authority is as follows:

Monetary Authority of Singapore  
10 Shenton Way  
MAS Building  
Singapore 079117  
Phone: (65)-6225-5577  
Fax: (65)-6229-9229  
Email: [webmaster@mas.gov.sg](mailto:webmaster@mas.gov.sg)

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. is registered with the Securities Exchange Board of India ("SEBI") as a Category I FPI under the FPI Regulations.

Kotak Mahindra Asset Management (Singapore) Pte. Ltd. is part of the Kotak Group based in Mumbai, India. The Kotak Group is one of India's leading financial institutions, offering a wide range of financial services including commercial banking, stock broking, asset management, life insurance and investment banking.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company and the Fund effective as of 1 April 2017 as amended from time to time (the "Investment Management Agreement") to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

The Investment Manager may retain the services of one or more advisors to advise on investments of the Fund or for a specific Sub-Fund. The Investment Manager may pay such advisors an advisory fee for services provided out of the Investment Manager's own funds or assets. The Fund will not be liable to pay any fee to such advisor.

According to the Investment Management Agreement, the Investment Manager may, with the prior approval of the Management Company, delegate to a third party all or a part of its management duties. Any new delegation shall be reflected in an updated Prospectus.

## **DEPOSITARY BANK, ADMINISTRATOR AND REGISTRAR AND TRANSFER AGENT**

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the Depositary Bank of the Fund pursuant to the terms of a depositary agreement, as amended from time to time (the "Depositary Agreement"). Brown Brothers Harriman (Luxembourg) S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. Brown Brothers Harriman (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 80, route d'Esch, L-1470 Luxembourg.

The Depositary Bank shall assume its functions and responsibilities as depositary in accordance with the provisions of the Depositary Agreement, the Law, the Commission delegated regulation 2016/438 and applicable Luxembourg law, rules and regulations regarding (i) the safekeeping of financial instruments of the Fund to be held in custody and the supervision of other assets of the Fund that are not held or capable of being held in custody, (ii) the monitoring of the Fund's cash flow, and (iii) the following oversight duties:

- a) ensuring that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- b) ensuring that the value of the Shares is calculated in accordance with the Articles and the Law;
- c) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- d) ensuring that the Fund's income is applied in accordance with the Articles and the Law; and
- e) carrying out the instructions of the Fund or of the Management Company, on behalf of the Fund, whilst ensuring they did not conflict with the Articles or the Law.

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

The Law provides for a strict liability of the Depositary Bank in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary Bank shall return financial instruments of identical type of the corresponding amount to the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary Bank will be liable to the Fund for any losses other than the loss of a financial instrument held in custody arising out of the Depositary Bank's negligent or intentional failure to properly fulfill its obligations pursuant to the Law.

The Depositary Bank maintains comprehensive and detailed corporate policies and procedures requiring the Depositary Bank to comply with applicable laws and regulations.

The Depositary Bank has policies and procedures governing the management of conflicts of interest. These policies and procedures address conflicts of interest that may arise through the provision of services to UCITS.

The Depositary Bank's policies require that all material conflicts of interest involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary Bank shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the Fund and to Shareholders (ii) managing and monitoring such conflicts. The Depositary Bank ensures that employees are informed, trained and advised of conflicts of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent conflicts of interest issues.

Compliance with conflicts of interest policies and procedures is supervised and monitored by the board of managers as general partner of the Depositary Bank and by the Depositary Bank's authorized management, as well as the Depositary Bank's compliance, internal audit and risk management functions.

The Depositary Bank shall take all reasonable steps to identify and mitigate potential conflicts of interest. This includes implementing its conflicts of interest policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a conflict of interest and includes the procedures to be followed and measures to be adopted in order to manage conflicts of interest. A conflicts of interest register is maintained and monitored by the Depositary Bank.

Brown Brothers Harriman (Luxembourg) S.C.A. also acts as administrative agent and/or registrar and transfer agent pursuant to the terms of the administration agreements between Brown Brothers Harriman (Luxembourg) S.C.A. and the Fund. The Depositary Bank has implemented appropriate segregation of activities between the Depositary Bank and the administration/registrar and transfer agency services, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Depositary Bank may delegate to third parties the safe-keeping of the Fund's assets to correspondents (the "Correspondents") subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. In relation to the Correspondents, the Depositary Bank has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary Bank shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary Bank shall also periodically assess

whether Correspondents fulfill applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The list of Correspondents relevant to the Fund is available on <http://www.bbh.com/luxglobalcustodynetworklist>. This list may be updated from time to time and is available from the Depository Bank upon written request.

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

The Depository Bank does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depository Bank will notify the Board of the Fund and/or the board of the Management Company of any such conflict should it so arise.

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

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

The Depository Bank or the Fund may, at any time, and subject to a written prior notice of at least three (3) months from either party to the other, terminate the appointment of the Depository Bank, provided however that the termination of the Depository Bank's appointment by the Fund is subject to the condition that another depository bank assumes the functions and responsibilities of a depository bank. Upon termination of the Depository Agreement, the Fund shall be obliged to appoint a new depository bank which shall assume the functions and responsibilities of a depository bank in accordance with the Articles of Incorporation and the 2010 Law, provided that, as from the expiry date of the notice until the date of the appointment of a new depository bank by the Fund, the Depository Bank's only duties shall be to take such steps as are necessary to protect the interests of Shareholders.

#### List of delegates and sub delegates

The below is the current list of sub-delegates appointed by the Depository Bank:

Country	Sub-delegate/Agent
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	CITIGROUP PTY LIMITED FOR CITIBANK, N.A
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRIA	DEUTSCHE BANK AG
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL*	CITIBANK, N.A. SÃO PAULO
BRAZIL*	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN

	IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
<b>CANADA</b>	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA(RBC)
<b>CHILE*</b>	BANCO DE CHILE FOR CITIBANK, N.A.
<b>CHINA*</b>	BANK OF CHINA LIMITED
<b>CHINA*</b>	CHINA CONSTRUCTION BANK CORPORATION
<b>CHINA*</b>	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.
<b>CHINA*</b>	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>CHINA*</b>	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
<b>CHINA*</b>	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
<b>COLOMBIA*</b>	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK,N.A
<b>CROATIA*</b>	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
<b>CYPRUS</b>	BNP PARIBAS SECURITIES SERVICES
<b>CZECH REPUBLIC</b>	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
<b>DENMARK</b>	NORDEA DANMARK, FILIAL AF NORDEA BANK ABP, FINLAND
<b>DENMARK</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
<b>EGYPT*</b>	CITIBANK, N.A.-CAIRO BRANCH
<b>EGYPT*</b>	HSBC BANK EGYPT S.A.E. FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>ESTONIA</b>	SWEDBANK AS FOR NORDEA BANK ABP
<b>ESWATINI*</b>	STANDARD BANK ESWATINI LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
<b>FINLAND</b>	NORDEA BANK ABP
<b>FINLAND</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
<b>FRANCE</b>	BNP PARIBAS SECURITIES SERVICES
<b>FRANCE</b>	CACEIS BANK
<b>FRANCE</b>	DEUTSCHE BANK AG, AMSTERDAM BRANCH
<b>GERMANY</b>	BNP PARIBAS SECURITIES SERVICES-FRANKFURT BRANCH
<b>GERMANY</b>	DEUTSCHE BANK AG
<b>GHANA*</b>	STANDARD CHARTERED BANK GHANA PLC FOR STANDARD CHARTERED BANK
<b>GREECE</b>	HSBC CONTINENTAL EUROPE, GREECE FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HONG KONG</b>	STANDARD CHARTERED BANK (HONGKONG) LIMITED FOR STANDARD CHARTERED BANK
<b>HONG KONG</b>	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HONG KONG-BOND CONNECT</b>	STANDARD CHARTERED BANK (HONGKONG) LIMITED FOR STANDARD CHARTERED BANK
<b>HONG KONG-BOND CONNECT</b>	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HONG KONG-STOCK CONNECT</b>	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HUNGARY</b>	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK,N.A.
<b>HUNGARY</b>	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARYZRT AND UNICREDIT S.P.A.
<b>ICELAND*</b>	LANDSBANKINN HF.
<b>INDIA*</b>	CITIBANK, N.A. - MUMBAI BRANCH
<b>INDIA*</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-INDIA BRANCH
<b>INDONESIA</b>	CITIBANK, N.A.-JAKARTA BRANCH
<b>INDONESIA</b>	STANDARD CHARTERED BANK, INDONESIA BRANCH
<b>IRELAND</b>	CITIBANK, N.A. - LONDON BRANCH

<b>IRELAND</b>	HSBC BANK PLC
<b>ISRAEL</b>	BANK HAPOALIM BM
<b>ISRAEL</b>	CITIBANK, N.A., ISRAEL BRANCH
<b>ITALY</b>	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH
<b>ITALY</b>	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
<b>IVORY COAST*</b>	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
<b>JAPAN</b>	MIZUHO BANK LTD
<b>JAPAN</b>	MUFG BANK, LTD.
<b>JAPAN</b>	SUMITOMO MITSUI BANKING CORPORATION
<b>JORDAN*</b>	STANDARD CHARTERED BANK, JORDAN BRANCH
<b>KAZAKHSTAN*</b>	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
<b>KENYA*</b>	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
<b>KUWAIT*</b>	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
<b>LATVIA</b>	"SWEDBANK" AS FOR NORDEA BANK ABP
<b>LITHUANIA</b>	"SWEDBANK" AB FOR NORDEA BANK ABP
<b>LUXEMBOURG</b>	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH ***Utilized for mutual funds holdings only.***
<b>LUXEMBOURG</b>	KBL EUROPEAN PRIVATE BANKERS S.A.
<b>MALAYSIA*</b>	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
<b>MALAYSIA*</b>	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
<b>MAURITIUS*</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-MAURITIUS BRANCH
<b>MEXICO</b>	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
<b>MEXICO</b>	BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE FOR BANCO SANTANDER, S.A. AND BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE
<b>MOROCCO</b>	CITIBANK MAGHREB S.A. FOR CITIBANK, N.A.
<b>NAMIBIA*</b>	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
<b>NETHERLANDS</b>	BNP PARIBAS SECURITIES SERVICES
<b>NETHERLANDS</b>	DEUTSCHE BANK AG, AMSTERDAM BRANCH
<b>NEW ZEALAND</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-NEW ZEALAND BRANCH
<b>NIGERIA*</b>	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
<b>NORWAY</b>	NORDEA BANK ABP, FILIAL I NORGE
<b>NORWAY</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
<b>OMAN*</b>	HSBC BANK OMAN SAOG FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>PAKISTAN*</b>	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
<b>PERU*</b>	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
<b>PHILIPPINES*</b>	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
<b>PHILIPPINES*</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-PHILIPPINE BRANCH
<b>POLAND</b>	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
<b>POLAND</b>	BANK POLSKA KASA OPIEKI SA
<b>PORTUGAL</b>	BNP PARIBAS SECURITIES SERVICES



<b>QATAR*</b>	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>ROMANIA</b>	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
<b>RUSSIA*</b>	AO CITIBANK FOR CITIBANK, N.A.
<b>SAUDI ARABIA*</b>	HSBC SAUDI ARABIA AND THE SAUDI BRITISH BANK (SABB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>SERBIA*</b>	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
<b>SINGAPORE</b>	DBS BANK LTD (DBS)
<b>SINGAPORE</b>	STANDARD CHARTERED BANK (SINGAPORE) LIMITED FOR STANDARD CHARTERED BANK
<b>SINGAPORE</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-SINGAPORE BRANCH
<b>SLOVAKIA</b>	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
<b>SLOVENIA</b>	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKASLOVENIJA DD AND UNICREDIT S.P.A.
<b>SOUTH AFRICA</b>	STANDARD BANK OF SOUTH AFRICA LIMITED (SBSA)
<b>SOUTH AFRICA</b>	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
<b>SOUTH KOREA*</b>	CITIBANK KOREA INC. FOR CITIBANK, N.A.
<b>SOUTH KOREA*</b>	KEB HANA BANK
<b>SOUTH KOREA*</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED -KOREA BRANCH
<b>SPAIN</b>	BANCO BILBAO VIZCAYA ARGENTARIA SA
<b>SPAIN</b>	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
<b>SPAIN</b>	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
<b>SRI LANKA*</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-SRI LANKA BRANCH
<b>SWEDEN</b>	NORDEA BANK ABP, FILIAL I SVERIGE
<b>SWEDEN</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
<b>SWITZERLAND</b>	CREDIT SUISSE (SWITZERLAND) LTD.
<b>SWITZERLAND</b>	UBS SWITZERLAND AG
<b>TAIWAN*</b>	BANK OF TAIWAN
<b>TAIWAN*</b>	HSBC BANK (TAIWAN) LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>TAIWAN*</b>	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
<b>TANZANIA*</b>	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
<b>THAILAND</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-THAILAND BRANCH
<b>THAILAND*</b>	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
<b>TRANSNATIONAL(CLEARSTREAM)</b>	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
<b>TRANSNATIONAL(EUROCLEAR)</b>	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
<b>TUNISIA*</b>	UNION INTERNATIONALE DE BANQUES (UIB)
<b>TURKEY</b>	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
<b>TURKEY</b>	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
<b>UGANDA*</b>	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
<b>UKRAINE*</b>	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK,N.A.
<b>UNITED ARAB EMIRATES*</b>	HSBC BANK MIDDLE EAST LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)



<b>UNITED KINGDOM</b>	CITIBANK, N.A., LONDON BRANCH
<b>UNITED KINGDOM</b>	HSBC BANK PLC
<b>UNITED STATES</b>	BBH&CO.
<b>URUGUAY</b>	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
<b>VIETNAM*</b>	HSBC BANK (VIETNAM) LTD. FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>ZAMBIA*</b>	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
<b>ZIMBABWE*</b>	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK
*In these markets, cash held by clients is a deposit obligation of the subcustodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.	

This list may be updated from time to time and is available on <http://www.bbh.com/luxglobalcustodynetworklist> or from the Depository Bank upon written request.

## AUDITOR

Ernst & Young, S.A. has been appointed as auditor of the Fund.

## POOLING

The Directors may authorise the Investment Manager to invest and manage all or any part of the portfolios of assets established for two or more Sub-Funds (hereafter the "Participating Sub-Funds") on a pooled basis. Any such asset pool (an "Asset Pool") will be formed by transferring to it cash or other assets (subject to such other assets being appropriate with respect to the investment policy of the Asset Pool concerned) from each Participating Sub-Fund. The Investment Manager may, from time to time, make further transfers to the Asset Pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the relevant Participating Sub-Fund.

The share of a Participating Sub-Fund in an Asset Pool is measured by reference to units of equal value in the Asset Pool. At the time of the formation of an Asset Pool, the Investment Manager shall determine the initial value of a unit (expressed in the currency considered to be appropriate by the Investment Manager), and will allocate to each Participating Sub-Fund units having an aggregate value equal to the amount of cash (or the value of the other assets) contributed. Thereafter, the value of a unit will be determined by dividing the net asset value of the Asset Pool by the number of existing units.

The entitlements of each Participating Sub-Fund to the Asset Pool apply to each and every line of investments of such Asset Pool.

When cash or supplemental assets are contributed to or withdrawn from an Asset Pool, the number of units of the relevant Participating Sub-Fund will be increased or reduced, as the case may be, by the number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a cash contribution is made, this contribution will, for the purpose of calculation, be reduced by an amount which the Directors consider appropriate to reflect fiscal charges, dealing and purchase costs which may be incurred by investing the cash concerned; in case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the Asset Pool.

Dividends, interest and other income received and having their origin in securities or other assets belonging to an Asset Pool will be immediately allocated to the Participating Sub-Fund in proportion to their respective participation in the Asset Pool at the time of receipt. Upon dissolution of the Fund, the assets in an Asset Pool will (subject to the creditors' rights) be allocated to the Participating Sub-Funds in proportion to their respective participation in the Asset Pool.

## SHARES

The Shares in each Sub-Fund are only issued in registered form, with no par value and fully paid-up. The issuance of fractions of Shares to a maximum of four decimal places is permitted. No certificates will be issued. All owners of the Shares will have their names entered into the shareholders' register which will be held at the Fund's registered office (the "Shareholders' Register"). The Fund, in case of joint ownership of Shares, will only recognise a single owner. Shareholders will only receive confirmation that their names have been recorded in the Shareholders' Register.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund to which they pertain.

### Classes of Shares

The Directors may, at any time, decide to create, within each Sub-Fund, different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination, voting rights or other specific feature may apply to each Class. All Classes of Shares of the Fund will be invested in the same underlying portfolio.

Unless otherwise specified in the Appendix, each Sub-Fund may issue Shares in the following main classes: Class A, Class B, Class C, Class I, Class J, Class P, Class S and Class X having the features described below under section "Eligibility requirements". Classes of Shares may be made available in various currencies as the Directors may decide from time to time. These Classes of Shares may be offered either as accumulation ("acc.") or distribution ("distr.") Shares and may or may not be hedged as described below.

Classes bearing the suffix "H" and not denominated in the reference currency of the Sub-Fund ("Alternate Currencies") will systematically and fully (as described below) hedge their currency exposure to the reference currency of the Sub-Fund, in the forward currency market, whether the Alternate Currencies exposure is declining or increasing in value relative to the reference currency. Whilst holding hedged Shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the Alternate Currencies against the reference currency, holding such Shares may also substantially limit the benefits of the investor in case of favourable movements. Investors should note that it will not be possible to fully hedge the total net asset value of Alternate Currencies Class of Shares against currency fluctuations of the reference currency, the aim being to implement a currency hedge equivalent to between 95% and 105% of the net asset value of the respective Alternate Currencies Class of Shares. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily surpassing the limits set out above. In such cases, the currency hedge will be adjusted without undue delay. The net asset value per Share of the Alternate Currencies Classes does therefore not necessarily develop in the same way as that of the Shares in reference currency. It is not the intention of the Directors to use the hedging arrangements to generate a further profit for the Alternative Currencies Classes.

Investors should note that there is no segregation of liabilities between the individual Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a Class not denominated in the reference currency of the Sub-Fund could result in liabilities affecting the net asset value of the other Classes of the same Sub-Fund. In such case assets of other Classes of such Sub-Fund may be used to cover the liabilities incurred by the Classes not denominated in the reference currency of the Sub-Fund.

Not all Sub-Funds will offer all Classes of Shares and some Sub-Funds may offer additional Classes of Shares with specific features and/or vary the characteristics of the Class of Shares described hereafter. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

An up-to-date list of Classes with a contagion risk can be obtained at the registered office of the Fund upon request. A detailed and up-to-date list of the available Classes can also be found on Kotak' website at <https://www.kotakamc.sg/downloads>.

### Eligibility requirement

Investors may subscribe to Shares of Classes not otherwise reserved to specific investors and subject to the Minimum Initial Subscription and Holding requirements of each Class. The Directors may decide to waive at their discretion any Minimum Initial Subscription, Minimum Holding and Subsequent Minimum Subscription Amounts.

Investors should consult the relevant Annex in order to verify if any specific features apply to the Classes of Shares they wish to subscribe to.

- Class I Shares are reserved to Institutional Investors. The Minimum Initial Subscription and Minimum Holding Amounts are of USD 1,000,000, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.
- Class J Shares are reserved to Institutional Investors. The Minimum Initial Subscription and Minimum Holding Amounts are of USD 1,000,000, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.

- Class A Shares will be available to all investors. The Minimum Initial Subscription and Minimum Holding Amounts are of USD 500, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.
- Class B Shares will only be available to investors who at the time the relevant subscription order is received are customers of certain distributors appointed by the Global Distributor specifically for the purpose of distributing the Class B Shares. The Minimum Initial Subscription and Minimum Holding Amounts are of USD 500, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.
- Class C Shares may be offered in certain limited circumstances for distribution in certain countries and through certain distributors or sub-distributors, platforms and/or broker/dealers having separate fee arrangements with their clients and who at the discretion of the Global Distributor are considered wholesale investors providing services to other investors. In addition, Class C Shares may be offered to professional investors and/or other investors at the discretion of the Global Distributor.

The Minimum Initial Subscription and Minimum Holding Amounts for Class C shares is USD 500, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.

- Class S Shares are reserved to Institutional Investors. The Minimum Initial Subscription and Minimum Holding Amounts are of USD 20,000,000, (unless otherwise provided in the relevant Annex) or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.
- Class X Shares are only available in certain jurisdictions and shall be offered at the discretion of the Global Distributor. The Minimum Initial Subscription and Minimum Holding Amounts are of JPY 100,000 (unless otherwise provided in the relevant Annex), or its equivalent in another currency or such other amount to be decided by the Directors. No Subsequent Minimum Subscription Amount applies.
- Class P Shares are reserved to certain Institutional Investors, in certain circumstances, at the recommendation of the Global Distributor. No Minimum Initial Subscription, Minimum Holding Amounts or Subsequent Minimum Subscription Amount apply.

## SHARE DEALING

### SUBSCRIPTIONS

#### Initial Offering of Shares

Investors may subscribe for Shares in each Sub-Fund during an Initial Offering Period at a fixed price as determined by the Directors which may be increased by a Subscription Charge.

#### Subsequent Offering of Shares

After the end of any Initial Offering Period, Shares may be subscribed for as of each Valuation Day at the relevant Subscription Price which may be increased by a Subscription Charge.

Applicants should complete an Application Form (an "Application Form") and send it together with the applicable identity documentation relevant to the nature of the investor (for an indicative list of applicable documentation refer to the appendix on the Application Form) to the Registrar and Transfer Agent by facsimile and then by mail or directly by mail. Application Forms sent by fax are deemed provisional and are subject to cancellation until such time as the original Application Form and the applicable investor identification documents are received by the Registrar and Transfer Agent. In addition, following initial subscription, subsequent subscriptions may also be accepted electronically (in such format or method and under such conditions as shall be acceptable by the Registrar and Transfer Agent and subject to and in accordance with applicable legal and regulatory provisions).

Unless specifically provided otherwise in the relevant Annex, for any subscription received by the Registrar and Transfer Agent prior to 13:00 Central European Time ("CET") on the relevant Valuation Day ("Cut off Time"), the net asset value calculated as of that Valuation Day will be applicable. At the time of placement of the order by the investor, the net asset value per share of the relevant Sub-Fund or Share Class will thus be unknown ("forward pricing").

At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Registrar and Transfer Agent. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries. For any subscription received by the Registrar and Transfer Agent after the Cut off Time, the net asset value applicable will be the net asset value as calculated on the following Valuation Day.

Shares are provisionally allotted at the Subscription Price calculated on the Valuation Day an application is accepted. Cleared monies should be received by the Depository Bank no later than four (4) Business Days after the Valuation Day for which an application is accepted and Shares are allotted ("Settlement Date"). The relevant Shares will only be issued upon receipt of cleared monies.

Payment of the total amount will in principle be paid in the currency of denomination of the relevant Share Class. The Depository Bank may, from time to time, also accept payment in any other freely convertible currency as specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant. Normal banking charges will be included in the foreign exchange rate given and will be charged to the investor. Applicants must state on their Application Form if they wish to make payment in a currency other than the currency of denomination of the relevant Share Class. Certain intermediaries may offer their own foreign exchange services. In these cases, the services will be described in the application forms used by those intermediaries.

If monies are not received by the Settlement Date, then the Fund (or its designated delegate(s)) reserves the right to place a compulsory redemption to cancel any allotment of the relevant Shares at the cost of the subscriber or its financial intermediary, without prejudice to the right of the Fund to obtain compensation for any costs or losses directly or indirectly resulting from the failure of an applicant to effect settlement, including in respect of overdraft charges and interest incurred. If the subscriber does not settle the Subscription Price in a timely manner, no Shares will be issued to the defaulting subscriber and the latter will therefore not be entitled to benefit from any rights relating to Shares. Failure to proceed to timely settlement by the Settlement Date may result in the Fund (or its designated delegate(s)) bringing an action against the defaulting subscriber or its financial intermediary or deducting any costs or losses incurred by the Fund (or any of its delegate(s)) against any existing holding of Shares in the Fund, regardless of Class or Sub-Fund, of the subscriber.

If an allotment is cancelled and cleared monies are subsequently received, the Fund may issue Shares on the date cleared monies are received, at that day's Subscription Price but subject to any applicable charges.

The Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. The value of the subscription in kind will be certified by a report drawn up by the auditors of the Fund in accordance with the requirements of Luxembourg law. The Applicant shall normally bear the costs resulting from the subscription in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Directors consider that the subscription in kind is in the interest of the Fund or its Shareholders.

Shares are not available to be redeemed or converted until the Business Day after the relevant settlement period or the actual settlement date of the subscription or conversion, whichever is later.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable following receipt, at the risk and cost of the applicant.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund, a particular Sub-Fund or a Class of Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

For details of which Classes/ Sub-Funds are available in your jurisdiction, kindly contact your advisor/distributor.

#### Subscription Charge

A Subscription Charge, not exceeding 5% of the Subscription Price, may be added for the purpose of compensating the Global Distributor and financial intermediaries who assist in placing the Shares except in the case of Class B and Class C Shares (as further detailed under the sub-section below headed "Classes of Shares") which shall not be subject to any Subscription Charge. This charge is to be considered a maximum rate and the Global Distributor or the financial intermediaries may decide at its discretion to waive this charge in whole or in part.

### Institutional Investors

The sale of Shares of certain Classes may be restricted to institutional investors, as this term may be defined by guidelines or recommendations issued by Luxembourg supervisory authorities ("Institutional Investors") and the Fund will not issue Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

### Ineligible Applicants

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable foreign (including US) securities laws.

Shares will generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;
- (b) such issue or transfer will not require the Fund to register under the 1940 Act;
- (c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA (US Employee Retirement Income Securities Act of 1974 (as amended)); and
- (d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

The Directors may resolve that US Persons qualifying as "qualified purchasers" under applicable US laws and regulations as may be amended from time to time and complying with conditions in the preceding paragraph may acquire and/or hold Shares.

Each applicant for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

The Shares may not be offered, issued or transferred to any "person resident in India" as such term is defined in Section 2(v) of Foreign Exchange Management Act 1999 (FEMA) and the attendant regulations of India.

Subject as mentioned above, shares are freely transferable. The Directors may refuse to register a transfer which would result in (i) a breach of the applicable sale and transfer restrictions (including not fulfilling the relevant eligibility requirements of a Class of Shares), or (ii) either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made.

### Prevention of money laundering and terrorist financing

In accordance with international rules and Luxembourg laws, regulations, circulars and guidelines (including, but not limited to, the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and applicable CSSF Circulars) concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent the use of the financial system for the purpose of money laundering and financing of terrorism. As result of such provisions, the register and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The register and transfer agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the register and transfer agent, as delegate of the Fund, may request any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the FATCA and/or CRS Law. Information so provided may also need to be disclosed to authorities of competent jurisdiction (or their delegates) in countries where the Fund invests or through which the Fund invests.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the undertaking for collective investment nor the register and

transfer agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence obligations according to the relevant laws and regulations.

### Transfer of Shares

Shares may be transferred, subject to the transferor meeting the relevant eligibility requirements, by means of a written declaration of transfer or other evidence of transfer satisfactory to the Directors. Transfers will not be registered in the register of Shareholders and no effect will be given to such transfers in circumstances where the Shares to be transferred would be held by a person precluded from holding Shares of the Fund.

### **REDEMPTIONS**

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Registrar and Transfer Agent by facsimile and then by mail or directly by mail. Redemption requests may also be accepted electronically (in such format or method and under such conditions as shall be acceptable by the Registrar and Transfer Agent and subject to and in accordance with applicable legal and regulatory provisions).

A Redemption Charge may be applied if disclosed in the relevant Annex.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 13:00 Central European Time ("CET") on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Redemption requests received by the Registrar and Transfer Agent after 13:00 Central European Time ("CET") will be treated as if received on the next Valuation Day.

Payment of the Redemption Price will normally be made within five Business Days after the relevant Valuation Day provided that the Shareholder has provided all documentation (in particular in relation to AML/KYC) as required by the Registrar and Transfer Agent. The original order will be requested only if the Shareholder does not hold a fax indemnity with the Registrar and Transfer Agent. Failure to provide such documents may result in a delay of payment. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent. The transfer charges will be borne by the shareholder.

In exceptional circumstances the Directors may request that a Shareholder accepts 'redemption in kind' i.e. receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the investor must specifically accept the redemption in kind. He may always request a cash redemption payment in the reference currency of the Class. Where the investor agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro-rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will be certified by a report drawn up by the auditors of the Fund in accordance with the statutory provisions. However, where the redemption in kind exactly reflects the Shareholder's pro-rata share of all investments, no auditor's report will be required. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Directors consider that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10% ("Gate"). Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

Shares redeemed by the Fund are cancelled.



### Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all shares held by or for the benefit of a shareholder if the Directors determine that the shares are held by or for the benefit of any Shareholder who is or becomes precluded from holding Shares. The Fund also reserves the right to require compulsory redemption of all shares held by a shareholder in a Sub-Fund if the Net Asset Value of the shares held in such Sub-Fund by the shareholder is less than the applicable Minimum Holding Amount.

Shareholders are required to notify the Fund immediately if at any time they become US Persons, hold shares for the account or benefit of US Persons or otherwise become Ineligible Applicants or hold shares for the account of Ineligible Applicants.

When the Directors become aware that a shareholder (A) is a US Person or is holding shares for the account or benefit of a US Person without the consent of the Fund; (B) is holding shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its shareholders; or (C) has failed to provide any information or declaration required by the Directors, the Directors will either (i) direct such shareholders to redeem or to transfer the relevant shares to a person who is qualified or entitled to own or hold such shares or (ii) compulsorily redeem the relevant shares.

If it appears at any time that a holder of shares of a Class restricted to Institutional Investors is not an Institutional Investor or that a holder of shares does not fulfil the eligibility requirements for the relevant Class of Shares, the Fund will either redeem the relevant shares in accordance with the above provisions or convert such shares into shares of a Class which is not restricted to Institutional Investors or into a Class of Shares for which the holder of shares fulfils the eligibility requirements (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding shares in contravention of any of the above provisions and who fails to transfer or redeem his shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depository Bank, the Administrative Agent, the Investment Adviser (if any), the Investment Manager and the shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

### **CONVERSIONS**

Subject to any prohibition of conversions contained in an Annex, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated on the next following Valuation Day of each of the two Classes concerned.

A conversion fee of up to 1% of the Net Asset Value of the Shares to be converted ("Conversion Fee") may be charged for the benefit of the Global Distributor and financial intermediaries (i.e. distributors) having placed the Shares. This charge is to be considered a maximum rate and the Global Distributor may decide at its discretion to waive this charge in whole or in part.

### **REVOCABILITY**

Subscription, redemption and conversion orders for Shares of a given Sub-Fund are irrevocable except i) in cases of a suspension of the calculation of the Net Asset Value and ii) in case of application of a Gate.



## **SWING PRICING**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestment costs may have an adverse effect on the Shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Directors have the authority to allow for the Net Asset Value per Share to be adjusted, taking into account the bid/ask spread on securities and forex as well as transaction costs and taxes which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Directors, of the Sub-Fund's total net assets on a given Valuation Day. Such adjustment may vary from Sub-Fund to Sub-Fund and will not exceed 0.5% of the original Net Asset Value per Share.

The adjustment is applied on the capital activity at the level of the Sub-Funds and does not address the specific circumstances of each individual investor transaction.

The Fund currently applies the adjustment to all of its Sub-Funds.

Description of the swing pricing procedure:

If the net capital activity on a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Directors.

If the net capital activity on a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Directors.

## **MARKET TIMING AND FREQUENT TRADING POLICY**

The Fund does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors reserve the right to cause the Management Company to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.
- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions below, under "Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

## NET ASSET VALUE

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Administrator as at such time as the Directors shall determine as of each Valuation Day.

The Net Asset Value per Share as of any Valuation Day will be calculated up to four decimal places as the Directors may decide in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

To the extent feasible, expenses, fees and income will be accrued as of each Valuation Day.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

- (a) the value of cash at hand and on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interest declared or due but not yet collected, shall be deemed to be the full value thereof. However, if it is unlikely that this value will be received in full, the value thereof will be determined deducting the amount the Fund considers appropriate to reflect the true value thereof;
- (b) the value of all transferable securities listed or traded on a stock exchange will be determined based on the price published on the market considered to be the main market for trading the transferable securities in question as specified in the Fund's sales documents;
- (c) In case of equity and equity related securities traded on the Indian stock exchanges, the closing price on the National Stock Exchange failing which the closing price on the Stock Exchange, Mumbai (BSE) failing which the closing price on any other exchange whereat the security is traded shall be considered;
- (d) the value of all transferable securities traded on another regulated market, operating regularly, recognised and open to the public shall be assessed based on their last available price;
- (e) in as much as transferable securities in a portfolio are not traded or listed on a stock exchange or another Regulated Market or if, for securities listed or traded on such an exchange or other market, the price determined in accordance with (ii) or (iii) above is not representative of the real value of these transferable securities, these will be valued based on their probable realisation value, which will be estimated in a prudent manner and in good faith;
- (f) the liquidation value of financial derivative instruments not traded on stock exchanges will be determined in accordance with the rules set by the Directors in a prudent manner and in good faith;
- (g) undertakings for collective investment are valued at the latest known net asset value or sale price in the event that prices are listed;
- (h) all other securities and assets are valued at their probable realisation value estimated in a prudent manner and in good faith according to procedures established by the Directors;
- (i) swaps are valued at their fair value based on the underlying securities (as close of business or intraday) as well as on the characteristics of the underlying commitments; and
- (j) liquid assets and money market instruments 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. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost.

The value of all assets and commitments not denominated in the reference currency of the Sub-Fund will be converted into the reference currency of the Sub-Fund at the prevailing market rate of exchange. If these prices are not available, the rate of exchange will be determined in a prudent manner and in good faith according to the procedures put in place by Directors.

The Directors can, at their sole discretion, allow the use of any other valuation method if they consider that aforementioned valuation

principles do not reflect the probable realisation value or fair value of an asset held by the Fund.

The Management Company has delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Share.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the Fund or the Management Company, it may use information provided by particular pricing services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of fraud, negligence or wilful default on the part of the Administrator, be liable for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid. The foregoing rules apply mutatis mutandis to the calculation of the Net Asset Value of Classes.

## **FEES AND EXPENSES**

### Management Company Fee

The Management Company will receive, out of the assets of the Fund, a management company fee ("Management Company Fee") for the provision of its services. The Management Company Fee will be on a reducing scale of charges, based on the Net Asset Value of the Fund at each month end and will not exceed 0.05% of the Net Asset Value of the Fund per annum. The Management Company Fee payable is subject to a minimum monthly fee of EUR 5,000 at the Fund level. The Management Company Fee is accrued daily and payable monthly in arrears. The Management Company Fee may be periodically revised based on the negotiations between the Fund and the Management Company.

### Investment Management Fee

The different Sub-Funds and Classes will incur an annual investment management fee ("Investment Management Fee") payable to the Investment Manager, for investment management services for the Sub-Funds and Classes. The maximum Investment Management Fee that may be charged, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Annex.

### Depository Bank, Administrator, Registrar and Transfer Agent and Domiciliary Agent fees

The Depository Bank will receive from each Sub-Fund, in addition to fees for transaction processing and safekeeping, fees for the supervision of the assets of the Fund, including oversight, cash flow monitoring and asset supervision duties, which will be calculated daily and paid monthly. The asset supervision fees will not exceed 0.01% of the Net Asset Value of the Sub-Fund per Annum, and the custody fees in respect of the safekeeping of a Sub-Fund's assets will not exceed 0.03% of Net Asset Value of the Sub-Fund per annum, based on the value of the assets at each valuation day.

The Administrator and Registrar and Transfer Agent will receive from each Sub-Fund a fee which will be calculated daily and paid monthly. The fee will be on a reducing scale of charges, based on the Net Asset Value of the Sub-Fund on each Valuation Day and will not exceed 0.05% of the Net Asset Value of the Sub-Fund per annum.

The Custody Fees, Administration Fees and Transfer Agent Fees payable are subject to a minimum total annual fee of USD 84,000 for the Fund.

For the avoidance of doubt, the fees of the Domiciliary Agent are included in the Administration Fees but are not covered by the abovementioned minimum total annual fee.

Each of the Depository Bank, the Administrator, the Registrar and Transfer Agent, the Domiciliary Agent will be reimbursed for reasonable out-of-pocket expenses relating to the services provided.

## Other fees and expenses

### Contingent Deferred Sales Charge

A contingent deferred sales charge ("CDSC") is payable to the Global Distributor in relation to Class B Shares. The CDSC constitutes a fee for services rendered by the Global Distributor in connection with the distribution, placing and sale of Class B Shares at the time of such distribution, placing and sale and is not conditioned upon or related to any provision of ongoing services by the Global Distributor with respect to such Class B Shares. Where Class B Shares are repurchased within the first three years of the date of their subscription, the repurchase proceeds thereof will be subject to a CDSC at the rates set forth in the table below.

<b>Applicable rate of the CDSC</b>	<b>Period from Subscription Date</b>
3%	1 year
2%	After 1 year but within 2 years
1%	After 2 year but within 3 years
0%	thereafter

The applicable rate of CDSC is determined by reference to the total length of time during which the Class B Shares being repurchased were in issue. In determining whether a CDSC is applicable, the calculation will be effected in a manner that results in the lowest possible rate being applied. An instruction to sell Class B Shares will be deemed to have been given for the Shares which have been held for the longest period. No CDSC will be levied on the redemption of Class B Shares derived from the reinvestment of dividends.

No CDSC is payable at the time of a conversion of Class B Shares of a Sub-Fund into Class B Shares of another Sub-Fund. In this case, the total length of time of the Class B Shares of a Sub-Fund to be converted were held, will be carried over into Class B Shares of another Sub-Fund.

The CDSC is payable at the time of a conversion of Class B Shares of the Sub-Fund into shares of another class (other than Class B Shares) of the relevant Sub-Fund or another Sub-Fund. In addition, a Conversion Fee may be charged.

The amount of CDSC is calculated by multiplying the relevant percentage rate as determined above by the lower of a) the Net Asset Value per Share of the Class B Shares being repurchased on the relevant date of redemption or b) the price paid for the original issue of Shares being repurchased.

A CDSC in respect of Class B Shares paid to the Fund reverts to the Global Distributor. The CDSC may be waived or reduced by the Global Distributor.

Proceeds from the CDSC are used all or in part by the Global Distributor to pay its expenses in providing distribution related services to the Sub-Fund in relation to the sales and promotion of Class B Shares. On any subscription of Class B Shares, the Global Distributor may, pay commission on applications received through other distributors, brokers and other professional agents or grant discounts.

The other costs charged to the Fund or to the different Sub-Funds or Classes include:

- the costs of establishing Sub-Funds. Where further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The establishment costs may, at the discretion of the Directors, be amortised over 5 years from the date on which the Sub-Funds commenced business. The Directors may, in their absolute discretion, shorten the period over which such costs are amortised;
- the *taxe d'abonnement* as described in chapter "Taxation" hereafter;
- the fees of directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, memoranda, reports, marketing literature and other necessary documents concerning the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency and stock exchange, the costs of publishing prices and the operational expenses, and the cost of holding shareholders' meetings;
- the fees and expenses associated with establishment and operation of the Mauritius subsidiaries; and
- any additional out-of-pocket expenses.

## REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund ends on 31 December in each year.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in USD, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

All investments held by the Mauritius Subsidiaries are disclosed in the accounts of the Fund.

Copies of the annual and semi-annual reports and financial statements and information on the past performance may be obtained free of charge from the registered office of the Fund and the Global Distributor.

## DISTRIBUTION POLICY

Within each Sub-Fund, there may be created different Classes which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Accumulation Shares").

In principle, Distribution Shares give their owners the right to receive distributions. Following each distribution, the proportion of the net assets to be attributed to such Distribution Shares shall be reduced by an amount equal to the amount of the distribution, thus resulting in a reduction of the net assets attributable to such Distribution Shares. In principle, Accumulation Shares will not make distributions.

Distributions may be composed of income (e.g. dividend income and interest income), realised and/or unrealised gains on investment, and capital.

To the extent that distributions are paid out of sources other than income, such payment of distributions amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that share class. Shareholders may receive a higher distribution than they would have otherwise received in a Share class where fees and expenses are deducted from the distributable income.

Investors should note that the charging of fees and expenses to sources other than income as described above may constrain future capital growth for such Shares together with the likelihood that the value of future returns would be diminished.

The payment of fees and expenses out of sources other than income may result in distributions paid effectively out of the capital of such Shares. In these circumstances, distributions made in respect of such shares should be understood by investors as a form of capital reimbursement.

Investors in certain countries may be subject to higher tax rates on distributions than on capital gains from the sale of Shares. Some investors may therefore prefer to subscribe to Accumulation Shares rather than Distribution Shares. Investors are advised to consult their tax adviser on this matter.

At the annual general meeting, the shareholders of each Class of Shares shall decide and/or ratify as appropriate, upon the proposal of the Directors and subject to the limits imposed by this Prospectus and by law, the amount of distributions to be or that have been disbursed, if any, for such Class of Shares.

No distribution shall reduce the share capital of the Fund to an amount less than the minimum provided by the Law.

The Directors may decide to pay interim distributions in such amounts and at such frequency as they may determine.

In principle, all Distribution Shares will declare and pay distributions on an annual basis. With respect to Class X Shares, distributions will, in principle, be declared on a quarterly basis on the 10<sup>th</sup> day of February, May, August and November of each year (if such day is not a Business Day, the immediately following Business Day).

**Investors should note that any distributions declared will automatically be reinvested in Shares having given rise to the distribution unless the Investor expressly elects to receive distributions as described below. Distributions that are reinvested are not subject to a subscription charge.**

Distributions shall be paid in the reference currency of the relevant Class of Shares, in principle within 7 Business Days of the date of declaration of a distribution. They can, upon request, be paid, at the expense and risk of the Shareholder, in another currency provided that currency is on the list of currencies offered, which list is available at the registered office of the Fund, (usually the currency of original investment), by bank transfer. Shareholders should bear in mind that bank clearing or collection charges may seriously erode the value of small distribution amounts. Dividend amounts of less than USD 50 (or its equivalent in another currency) will, at the discretion of the Directors, not be paid out in cash but will be automatically reinvested in order to avoid disproportionate costs, notwithstanding a Shareholder's request to pay out distributions.

In the event that a distribution is declared and is not claimed by the beneficiary within five years from the date of declaration, it may no longer be claimed and shall be returned to the relevant Sub-Fund for the benefit of the relevant Class of Shares. No interest will be payable on any dividend declared by the Fund and held at the disposal of the beneficiary.

The Directors do not intend to distribute dividends in relation to Accumulation Shares.

## **TAXATION**

### General

IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN SUBSCRIBING TO SHARES IN THE FUND TO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES ARISING IN THE JURISDICTIONS IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES, AS WELL AS ANY FOREIGN EXCHANGE OR OTHER FISCAL OR LEGAL RESTRICTIONS, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES. THE FUND HAS NO PRESENT PLANS TO APPLY FOR ANY CERTIFICATIONS OR REGISTRATIONS, OR TO TAKE ANY OTHER ACTIONS, UNDER THE LAWS OF ANY JURISDICTIONS WHICH WOULD AFFORD RELIEF TO LOCAL INVESTORS THEREIN FROM THE NORMAL TAX REGIME OTHERWISE APPLICABLE TO AN INVESTMENT IN THE FUND.

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### Luxembourg

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

### Taxation of the Fund

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

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

The Fund is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax rate of 0.01% per annum is also applicable to Luxembourg UCIs that are authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (hereinafter "MMFR"), without prejudice to Article 175, letter b) of the Law.



A reduced subscription tax rate of 0.01% *per annum* is applicable to individual compartments of UCIs with multiple compartments referred to in the Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITs and UCIs subject to the Part II of the Law qualifying as exchange traded funds.

Where the Sub-Funds invest directly into India, the Sub-Funds will be subject to full taxation under applicable Indian laws as the Fund is not eligible for any benefits under India Luxembourg tax treaty.

#### Withholding tax

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

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

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

#### Taxation of the Shareholders

##### Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

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

Distributions received from the Fund will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective marginal tax rate of 45.78% in 2023.

##### Luxembourg resident corporate

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 24.94% (in 2023 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distribution received from the SICAV.

Luxembourg corporate resident Investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the amended law of December 17, 2010 related to undertakings for collective investments, (ii) specialized investment funds subject to the law of February 13, 2007 related to Specialised investment funds, (iii) a reserved alternative investment funds subject to the law of July 23, 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) family wealth management companies subject to the law of May 11, 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) an undertaking for collective investment subject to the amended law of December 17, 2010 related to undertakings for collective investments, (ii) a vehicle governed by the law of March 22, 2004 on securitization, (iii) a company governed by the law of June 15, 2004 on venture capital vehicles, (iv) a specialized investment fund subject to the law of February 13, 2007 related to specialised investment funds, (v) a reserved alternative investment funds subject to the law of July 23, 2016 on reserved alternative investment funds, or (vi) a

family wealth management company subject to the amended law of May 11, 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

#### Non Luxembourg residents

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

#### Automatic Exchange of Information

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

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

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

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

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

#### United Kingdom

##### UK resident shareholders

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Fund, whether or not such dividends or distributions are reinvested together with, where applicable, their share of income retained by a reporting fund (as to which see below). The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions made, or treated as made, by the Fund will depend on a number of factors which may include the composition of the relevant assets of the Fund and the extent of a Shareholder's interest in the Fund.

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010")) which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident

or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor 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 ("offshore income gains") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

The Shares will constitute interests in an offshore fund. Applications have been made or are intended to be made to the United Kingdom HM Revenue & Customs for recognition of certain Classes of Distribution Shares as reporting funds in respect of each relevant account period of the Fund. However, there can be no guarantee that such status will be obtained and/or maintained for each account period of the Fund. The effect of obtaining and maintaining "reporting fund" status (and, where relevant, distributing fund status under the previous offshore funds regime) in respect of a Class of Shares throughout a Shareholder's relevant period of ownership would be that any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of such Shares would be taxed as capital gains and not as offshore income gains. Any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of Shares which do not have reporting fund (and where relevant, distributing fund) status (including a deemed disposal on death) will be taxed as offshore income gains rather than capital gains.

Details of which Classes have UK reporting fund status can be found on the HM Revenue & Customs' website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk). At the date of this Prospectus the exact location of this list is <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom 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 Funds Regulations and TIOPA 2010, 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 per cent 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. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of each Sub-Fund, could fail to satisfy the qualifying investments test. In that eventuality, the Shares 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 person'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, such a person who acquires Shares in a relevant Sub-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).

Individuals ordinarily resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of the undistributed income profits of the Fund.

Persons resident or ordinarily resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 could be material to any such person who has an interest in the Fund as a "participator" for United Kingdom 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 its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Fund is itself controlled in such a manner and by a sufficiently small number of persons as to render the Fund a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable 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 person's proportionate interest in the Fund. No liability under section 13 could be incurred by such a person, 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 United Kingdom taxation purposes does not exceed one-tenth of the gain. In the case of Shareholders who are individuals domiciled outside the United Kingdom, section 13 applies subject to the remittance basis in particular circumstances.

The United Kingdom HM Revenue & Customs has published a consultation on proposals to amend certain aspects of the anti-avoidance provisions described in the preceding two paragraphs. If any such proposals are implemented, the position of Shareholders in relation to such provisions could be different to that set out above.

Companies resident in the United Kingdom for taxation purposes should note the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 (the "CFC rules"). The CFC rules could be material to any company that has an interest in the Fund if the Fund is controlled (as "control" is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for taxation purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Fund, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to United Kingdom corporation tax by reference to the "chargeable profits" of the Fund. The chargeable profits of the Fund do not include any capital gains.

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest GBP5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The Shares are assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax. A liability to United Kingdom inheritance tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed to be domiciled, in the United Kingdom.

#### United States Tax Considerations

##### *Foreign Account Tax Compliance Act ("FATCA")*

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

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

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;

- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

## **Singapore**

### **The Fund**

Funds which are managed by a Singapore based fund manager may be liable to tax in Singapore due to the activities of the fund manager in managing the investments of the fund. The fund manager may create a taxable presence in Singapore for the fund and, therefore, income and gains derived by the fund may be considered as Singapore sourced and liable to tax in Singapore. However, Singapore's domestic legislation provides safe harbour provisions for such funds.

The Fund would be eligible for 'The Offshore Fund Tax Exemption Scheme', whereby an offshore fund managed by a Singapore-based fund manager will be exempt from tax on income from designated investments if the fund is a "prescribed person". A fund will generally qualify as a prescribed person, if it is not resident in Singapore and not 100% owned by Singapore investors. The tax exemption covers all income and gains in respect of designated investments, unless they fall within an exclusion list. The list of designated investments includes most types of investment like stocks, shares, securities, derivatives etc. however immovable property in Singapore is excluded.

### **Singapore resident Shareholders**

Each of the investors in the fund needs to be a qualifying "relevant owner" in order to enjoy the tax exemption on their share of the fund's income and gains (in addition to the tax on fund's distributions). An investor will not be a qualifying relevant owner if, essentially, he is a Singapore based non-individual who owns more than 30% (50% in some cases) in the fund. If the investor is not a qualifying relevant owner, he will have to pay a financial amount to the Singapore tax authority, which is effectively equivalent to the corporate income tax payable on his share of the income and gains of the fund. This payment is regarded as a penalty and not a tax payment.

## **India**

The following discussion summarizes certain Indian tax considerations generally applicable to persons considering the acquisition of an interest in the Fund. The discussion does not deal with all tax considerations that may be relevant to specific investors or classes of investors in light of their unique circumstances. In particular, the discussion does not address any considerations applicable to persons that acquire interests in connection with the performance of services.

### ***General***

Subject to the indirect transfer provisions as mentioned below, no investor will be subject to taxation in India unless such investor is a resident of India or being a non-resident, has an Indian source income or income received, accrued or arisen or deemed to be received, accrued or arisen to him in India. A company is a resident of India if it is incorporated in India or during the relevant financial year, its place of effective management is in India.

Investors should note that the Fund may invest directly in India or through the Subsidiaries. The Fund may be subject to taxes on revenue and/or capital gains as well as potentially other taxes or levies due in accordance with applicable Indian legislation. Some or all of such amounts due may not be recoverable and/or not covered by double tax treaty between the Grand Duchy of Luxembourg and India.

The Income Tax Act, 1961 of India (the "ITA") provides that a company shall be a tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its 'place of effective management' ("POEM") in that year is in India. POEM is defined to mean a place where



key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. In case a foreign company is treated to have its POEM in India, such foreign company shall be treated as a tax resident of India in which case its worldwide income could be taxed in India and the benefits of any tax treaty entered into between the jurisdiction of its residence and India, may be denied.

#### *Taxation under the ITA*

The taxation of the income and return on investments of the Sub-Funds, is governed by the provisions of the ITA

The Sub-Funds and Mauritius Subsidiaries are expected to have income in the form of capital gains, income from dividends and income from interest. Under the provisions of the ITA, the tax consequences for the Sub-Fund, and for the Mauritius Subsidiaries if the benefits of the Tax Treaty (as defined later) are not available to the Mauritius Subsidiaries, would be as follows:

#### *Capital Gains*

Under the ITA, income earned by FPIs from transfer of securities are characterised as 'capital gains'.

Long-term capital gains in excess of INR 100,000 (gains on sale of equity shares in a company executed on a recognized stock exchange in India or units of an equity oriented fund held for a period of more than 12 months) will be taxed at the rate of 10% (plus applicable surcharge and cess) provided Securities Transaction Tax ("STT") has been paid on acquisition as well as disposal, subject to certain exceptions.

In case of assets acquired prior to 1 February 2018, the cost of acquisition shall be higher of (i) actual cost; and (ii) lower of (a) fair market value ("FMV") as on 31 January 2018 (computed in terms of the prescribed valuation norms) and (b) full value consideration received on transfer of such shares. Therefore, in effect, long-term capital gains accrued up to 31 January 2018 will continue to be exempt. Any benefit of indexation (i.e. any adjustment for inflation) or foreign currency fluctuation however, would not be accounted for.

Short-term capital gains (being gains on sale of listed equity shares of a company executed on a recognized stock exchange in India or units of an equity oriented fund held for a period of 12 months or less) will be taxed at the rate of 15% (plus applicable surcharge and cess) provided STT has been paid on the same;

Capital gains accruing to a non-resident on sale of listed equity shares not executed on a recognized stock exchange in India and other Indian listed securities would be taxed at the rate of 10% (plus applicable surcharge and cess) for long-term gains and at 30% (plus applicable surcharge and cess) in case of short-term gains for FPIs. Short-term capital gains accruing to a FPI from the sale of unlisted securities will be taxed at the rate of 30% (plus applicable surcharge and cess) and long-term gains accruing to a FPI will be taxed at the rate of 10% (plus applicable surcharge and cess);

Capital gains arising from the transfer of FCCBs, GDRs or ADRs outside India between non-resident investors should not be subject to tax in India;

Capital gains realised on sale of listed shares acquired on redemption of GDRs or ADRs would be taxed at the rates mentioned above. Gains from the disposal of listed shares acquired on redemption of GDRs or ADRs are treated as long-term if such listed shares are held for more than 12 months prior to disposal. Gains from the disposal of the listed shares acquired on redemption of GDRs or ADRs are treated as short-term, if such listed shares are held for 12 months or less prior to disposal.

Capital gains accruing to a FPI from the sale of zero coupon bonds held for 12 months or less will be taxed as short-term capital gains at the rate of 30% (plus applicable surcharge and cess) and those held for more than 12 months shall be taxed at the rate of 10% (plus applicable surcharge and cess), provided the zero coupon bonds are treated as securities within the definition provided under Securities Contract (Regulation) Act, 1956.

The period of holding for determining classification of long term capital assets and short term capital assets varies depending upon the type of securities. For certain listed securities, listed shares and zero coupon bonds, to be treated as long term capital assets, the period of holding should exceed 12 months. For other securities, including units of non-equity oriented mutual funds, but excluding unlisted equity shares, to be treated as long term capital assets, the period of holding should exceed 36 months. Provided that in case of a share of a company not being a share listed on a recognised stock exchange in India, such shares would be treated as long term capital assets where they are held for a period of more than 24 months.



### *Dividends*

Any dividend declared or distributed on or after 1 April 2020 would be taxed in the hands of non-resident shareholders at 20% plus surcharge and cess subject to benefits under the tax treaty, if any.

### *Interest Income*

Interest income accruing to a FPI from debt securities held in India will be taxed at the rate of 20% (plus applicable surcharge and cess). Additionally, as per amendments made in the ITA, interest income earned by FPIs from rupee denominated bonds (where the rate of interest does not exceed 500 basis points over the applicable base rate of the State Bank of India) of an Indian company or a Government Security (as defined in Section 2(b) of the Indian Securities Contracts (Regulation) Act, 1956) on or after June 1, 2013 and before 1 July, 2023 would be taxed at the rate of 5% (plus applicable surcharge and cess).

Further, if such interest arises out of Foreign Currency Convertible Bonds ("FCCB") held by the Sub-Funds / Mauritius Subsidiaries, then such interest shall be taxed at the rate of 10% (plus applicable surcharge and cess). However, interest arising out of borrowings in foreign currencies from a source outside India, made under loan agreements or on long term bonds issued by Indian companies before 1 July 2023 would be taxable at a rate of 5% (plus applicable surcharge and cess).

### *Indirect Transfer Provision*

The ITA levies capital gains tax on income arising from the transfer of shares/ interest in a company/ entity organized outside India which derives, directly or indirectly, its value substantially from the assets located in India. The transferor in this case is required to withhold taxes and pay the same to the Government of India. Pursuant to the said provision, there is a possibility that Indian tax authorities may seek to tax the transfer or redemption of shares in the Sub-Fund or Mauritius Subsidiaries, notwithstanding that there is no transfer taking place in India, on the basis that the shares of the Sub-Fund or Mauritius Subsidiaries (as applicable) derive substantial value from India. However, amendments to the ITA has clarified that the scope of the indirect transfer tax provisions as set out above shall not cover within its ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category-I.

### *General Anti Avoidance Rule*

The GAAR provisions of the ITA, came into effect on 1 April 2017 and shall not apply to transactions entered into before 1 April 2017.

As per the General Anti-Avoidance Rules ("GAAR") provisions of the ITA, Indian tax authorities have been granted wide powers to tax 'impermissible avoidance arrangements' including the power to disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa. The GAAR provisions are potentially applicable to any transaction or any part thereof.

The term 'impermissible avoidance arrangement' has been defined to mean an arrangement where the main purpose is to obtain a tax benefit, and it:

1. creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;
2. results, directly or indirectly, in the misuse, or abuse, of the provisions of the ITA;
3. lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or
4. is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

Further, an arrangement shall be presumed, unless it is proved to the contrary by the taxpayer, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If the Indian tax authorities were to apply GAAR to the Mauritius Subsidiaries, this could result in the benefits under the India/Mauritius Treaty being denied to the Mauritius Subsidiaries. Consequently, the application of GAAR could have an adverse impact on the taxability of the Fund and the returns to the Investors.

The central government of India has notified GAAR rules. A summary of the key points from the notified GAAR Rules are set out below:

### *Monetary Threshold Exemption*

The GAAR provisions would apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30,000,000.

### *Exemption to FPIs and Participatory Note holders*

The GAAR provisions would not apply to an FPI, which is not availing the benefit of any tax treaty, and which has made investments in India, with the prior permission of the competent authorities, in accordance with the SEBI regulations. Hence, if the Mauritius Subsidiaries propose to avail itself of the benefits of a tax treaty, the GAAR provisions may apply in case of an impermissible avoidance arrangement. Investments in FPIs made by non-resident investors by way of offshore derivative instruments (such as Participatory Notes), directly or indirectly, are excluded from the ambit of the GAAR provisions.

### *Taxation of the Mauritian Subsidiaries Taxes in India*

The taxation of the return on investments of the Mauritius Subsidiaries, unless treated as resident in India due to application of the principles of POEM to them, is governed by the provisions of the ITA, read with the provisions of the India/Mauritius Tax Treaty as amended by the Protocol dated 10 May 2016 ("India/Mauritius Tax Treaty"). As per Section 90(2) of the ITA, the provisions of the ITA would apply only to the extent they are more beneficial than the provisions of the India/Mauritius Tax Treaty. However, there can be no assurance that the India/Mauritius Tax Treaty will continue to be in full force and effect during the existence of the Mauritius Subsidiaries or that the Mauritius Subsidiaries are entitled to or will continue to enjoy the benefit of the India/Mauritius Tax Treaty.

In order to claim the beneficial provisions of the India/Mauritius Tax Treaty, the Mauritius Subsidiaries must be tax residents of Mauritius. As per Section 90 of the ITA, in order to avail the benefit of the India/Mauritius Tax Treaty, a person is required to obtain a tax residence certificate issued by the Mauritius Revenue Authority along with prescribed information to the extent not already covered in the tax residence certificate and should satisfy the "substance" test from the perspective of GAAR. In case the Mauritius Subsidiaries fail to renew their tax residency certificates, the Mauritius Subsidiaries shall not be able to claim any tax benefit under India/Mauritius Tax Treaty on its grandfathered positions and dividend income.

The tax consequences for the Mauritius Subsidiaries on account of the application of the India/Mauritius Tax Treaty (provided that they do not have a Permanent Establishment ("PE") in India), read with the provisions of the ITA, would be as follows:

#### *Capital Gains*

Capital gains of a Mauritius Subsidiary in respect of shares acquired prior to April 1, 2017 is not subject to tax in India under the India/Mauritius Tax Treaty.

#### *Dividends*

Under India/Mauritius Tax Treaty, dividend income accruing to a Mauritian tax resident, where the Mauritian tax resident is the beneficial owner, from an Indian company would be taxable at 15%(plus applicable surcharge and cess) in India. However, if the Fund in its discretion, chooses not to take any benefits or is denied the treaty benefits for the Mauritius Subsidiaries under the India/Mauritius Tax Treaty, the dividends will be subject to full taxation under the ITA at 20%(plus applicable surcharge and cess).

If for any reason the Sub-Funds / Mauritius Subsidiaries are considered to have a PE in India, income of the Sub-Funds / Mauritius Subsidiaries to the extent attributable to the PE would be subject to tax at the rate of 40% (exclusive of applicable surcharge and education cess) on net basis in India.

Future changes to Mauritian or Indian Law, or the India/Mauritius Tax Treaty, or the interpretations given to them by the regulatory authorities could impose additional costs or obligations on the Mauritius Subsidiaries' activities and status in Mauritius.

#### *Minimum Alternative Tax*

As per the ITA, if the tax payable by any company is less than 15% of its book profits, it will be required to pay Minimum Alternate Tax ("MAT") which will be deemed to be 15% (subject to currently applicable surcharge and cess) on tax payable and surcharge thereon) of such book profits.

The MAT provisions are not applicable to a foreign company if, (a) it is a resident of a country with which India has a Tax Treaty and it does not have a PE in India; or (b) it is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law. Further, income of a foreign company which is in the nature of inter alia capital gains arising on transfer of securities and interest, is expressly excluded from the purview of MAT provisions.

Therefore, in respect of the income accruing to the Sub-Fund/Mauritius Subsidiaries from investments in Indian securities, the Sub-Funds /Mauritius Subsidiaries should not be subject to levy of MAT in India.

#### *Taxes in Mauritius*

The Mauritian Subsidiaries hold a Global Business License for the purpose of the Financial Services Act 2007 and is required to be managed and controlled in Mauritius. In determining whether the Mauritian Subsidiaries are managed and controlled from Mauritius, the Financial Services Commission shall have regard to such matters as it deems necessary in the circumstances and in particular but without limitation to whether that corporation:

- (i) has at least 2 directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement;
- (ii) maintains at all times its principal bank account in Mauritius;
- (iii) keeps and maintains, at all times, its accounting records at its registered office in Mauritius;
- (iv) prepares its statutory financial statements and causes to have such financial statements to be audited in Mauritius; and
- (v) provides for meetings of directors to include at least 2 directors from Mauritius.

In addition to the above requirements, when determining whether a corporation is managed and controlled from Mauritius, the FSC shall also consider whether the corporation meets at least one of the following criteria:

- (i) the corporation has or shall have office premises in Mauritius; or
- (ii) the corporation employs or shall employ on a full time, basis at administrative/technical level, at least one person who shall be resident in Mauritius as defined under the Income Tax Act; or
- (iii) the corporation's constitution contains a clause whereby all disputes arising out of the constitution shall be resolved by way of arbitration in Mauritius; or
- (iv) the corporation holds or is expected to hold within the next 12 months, assets (excluding cash held in bank account or shares/interests in another corporation holding a Global Business Licence) which are worth at least USD 100,000 in Mauritius; or
- (v) the corporation's shares are listed on a securities exchange licensed by the Commission; or
- (vi) it has or is expected to have a yearly expenditure in Mauritius which can be reasonably expected from any similar corporation which is controlled and managed from Mauritius.

The Financial Services Commission shall recommend the issue of a Tax Residence Certificate to the Mauritius Revenue Authority if it is satisfied that the company is in good standing under Mauritius laws and has provided an undertaking that it shall comply with the conditions attached to its licence and the statutory provisions spelt out above. Thus, the Mauritius Subsidiaries will seek Mauritius tax residency certificate and should be treated as Mauritius tax residents provided that they meet the requirements specified by the Mauritian Authorities on a continuous basis.

Post 30 June 2021, the Mauritius Subsidiaries will be required at all times to:

- (i) carry out its core income generating activities in, or from, Mauritius by –
  - A. employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the core activities; and
  - B. having a minimum level of expenditure, which is proportionate to its level of activities;
- (ii) be managed and controlled from Mauritius; and

- (iii) be administered by a management company.

The Income Tax (Amendment No. 2) Regulations 2019 provides for the core income generating activities for companies having different type of licences.

#### *Capital Gains*

To the extent that the Mauritius Subsidiaries does not hold any immovable property in Mauritius, no capital gains tax should be payable in Mauritius in respect of the Mauritius Subsidiaries' realised investments. Income or gains realised by the Mauritius Subsidiaries on disposal of securities are exempt from income tax in Mauritius. There is no withholding tax payable in Mauritius in respect of payments of dividends to the shareholders. A gain or profit derived from the sale of the shares of the Mauritius Subsidiaries by the respective Sub-Fund, which is a non-resident in Mauritius, is exempt from income tax in Mauritius from any withholding tax.

#### *Dividends*

Under the Mauritius law, the Mauritius Subsidiaries will generally be subject to income tax on its worldwide income including foreign dividend received at the rate of 15%. However, it will be entitled to claim a tax credit on its foreign source income at the actual foreign tax paid (including underlying tax) on such income up to a maximum of 15%. Therefore, given that the Mauritius Subsidiaries is expected to suffer at least a tax of 15% (plus applicable surcharge and cess) on its dividend income in India even with treaty benefits, there is no additional tax incidence expected for the Mauritius Subsidiaries in Mauritius.

#### CERTAIN INDIAN REGULATORY CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE REGULATIONS AND LAWS AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL INDIAN LAWS AND REGULATIONS APPLICABLE TO THE MAURITIUS SUBSIDIARY AND ITS PORTFOLIO COMPANIES. FURTHERMORE, THE REGULATIONS AND LAWS REFERRED TO UNDER THIS SECTION ARE SUBJECT TO CHANGE FROM TIME TO TIME.

#### *Foreign Investments in India*

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act 1999 ("FEMA"), FPI Regulations Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and Foreign Exchange Management (Debt Instruments) Regulations 2019, as amended from time to time.

FEMA provides the statutory framework governing India's system of controls on foreign exchange dealings, through which the Government of India exercises its policy with respect to foreign private investment in India and all dealings by residents of India with non-residents and with foreign currency. Without permission (general or special) from the RBI, residents of India cannot undertake any transaction with persons outside India, sell, buy, lend or borrow foreign currency, issue or transfer securities to non-residents or acquire or dispose of any foreign security.

Investments by FPIs in equity instruments, debt securities and mutual funds as subject to various limits as stipulated by RBI and SEBI from time to time. As per the FPI Regulations and the applicable Foreign Direct Investments ("FDI") Policy, the total shareholding of a single FPI shall be below 10% of the paid-up share capital of an Indian company, on a fully diluted basis or 10% of the paid-up value of each series of convertible debentures or preference shares or share warrants of an Indian company. Further portfolio investments in primary or secondary markets are subject to a ceiling of 24% of paid-up equity capital on a fully diluted basis for the total holdings of all registered FPIs, in any one company till 31 March 2020. With effect from 1 April 2020, such aggregate limit shall be the sectoral cap applicable on such Indian companies, as prescribed under the applicable law, unless decreased by the company to a lower threshold limit before 31 March 2020.

The aggregate investments by FPIs in corporate debt and government securities are also subject to limits which are notified by the RBI and/or the SEBI from time to time. In the event that the debt limits are not available, the Fund may not be able to invest all or any of its money. It may also be possible that limit allocated is less than the total investment received in the Fund.

Additionally, contributions by Non Resident Indians ("NRI")/ Overseas Citizen of India ("OCI")/ Resident Indians ("RI") including those of NRI/ OCI/ RI controlled Investment Manager should be below 25% from a single NRI/ OCI/ RI and in aggregate should be below 50% to corpus of the FPI. Therefore, in light of the above-stipulated regulatory restrictions, NRI/OCI/resident Indian investors are advised to contact the Global Distributor before subscribing to the shares of the Fund.

The Sub-Funds are registered with SEBI as Category I FPIs and invest directly in Indian securities. The Mauritius Subsidiaries are registered with SEBI as FPIs as Category I FPIs by virtue of the respective Sub-Funds (which are Category I FPI) being the sole investor in the respective Mauritius Subsidiaries.

In addition to the above, please note that the Fund is not excluded from the application of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Prevention of Money Laundering Act, 2002 (the "PMLA"), as amended from time to time, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the provisions of these securities regulations may become applicable to the Fund in certain cases.

FPIs are required to maintain a list of beneficial owners in a prescribed form and must share the same with the designated depository participant.

## **RISK FACTORS**

### **General**

Investors should remember that the price of Shares of the Fund and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not a guide to future performance and the Fund should be regarded as medium to long-term investment. Where a purchase involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go down or up. Shareholders should be aware that the following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

Investment in the Fund should be deemed as speculative and should be made only by investors who are able to bear the risk of complete loss of an investment in the Fund. Investors should be aware of the risks associated with the Fund's investment policy and are advised to consult their professional advisors, such as lawyers, financial advisors, accountants or tax advisors when determining whether an investment in the Fund is suitable for them.

The price of securities may rise or fall because of changes in the broad market or changes in an investee company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general (or in particular, the types of securities in which the Fund invests) may decline over short or extended periods of time. When the value of the securities in which the Fund may have invested goes down, an investment in the Fund decreases in value.

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund. None of these conditions are within the control of the Fund or the Investment Manager, and no assurances can be given that the Fund or the Investment Manager will be able to anticipate these developments.

### **Regulatory**

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by local regulatory authorities may not apply. Investors should consult their professional advisors for further information in this area.

### **Investment Risks**

There is no guarantee that the investment objective of the Fund will be achieved. Investors should also be aware of the investment policy of each Sub-Fund as these may state that the Sub-Fund may invest into markets not naturally associated with the name of the Sub-Fund. These other markets may act with more or less volatility than the core investment market and performance will be in part dependent on these investments. An investor should ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

Securities in which the Fund invests may be thinly traded and relatively illiquid or may cease to be traded after the Fund invests. In such cases and in the event of extreme market activity, the Fund may not be able to liquidate its investments promptly if the need should arise.

A Sub-Fund may also use financial derivative instruments in order to achieve its investment objective, unless otherwise provided in the relevant Annex of a Sub-Fund. Certain of the risks related to the use of financial derivative instruments are set out below.

### **Reliance on the Investment Manager**

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

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

### **Termination risk**

In the event of termination of a Sub-Fund (or the Fund as the case may be), the liquidation proceeds received by the investors may be worth less than the initial subscription amount, resulting in substantial loss to the investors.

### **Risk relating to war or terrorist attacks**

There can be no assurance that there will not be any terrorist attacks which could have direct or indirect effect on the markets in which the investments may be located and the corresponding political and/or economic effects arising therefrom, if any, may in turn adversely affect the operation and profitability of the Fund.

### **Interest rate risk**

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of a Sub-Funds' investments. A Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

### **Market and Settlement Risks**

The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets. The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds. Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Limitations may exist with respect to the Sub-Funds ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Sub-Fund can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

### **Debt Securities**

The Fund may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and 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 on 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, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.



## **Environmental, Social and Governance (“ESG”) Investment Risk**

ESG investments are selected or excluded on both financial and non-financial criteria. A Sub-Fund may underperform the broader equity market or other funds that do not utilize ESG criteria when selecting investments. A Sub-Fund may sell a stock for reasons related to ESG, rather than solely on financial considerations. ESG investing is to a degree subjective and there is no assurance that all investments made by a Sub-Fund will reflect the beliefs or values of any particular investor. Investments in securities deemed to be 'sustainable' may or may not carry additional or lesser risks.

## **Sustainability Risk**

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

Consequent impacts to the occurrence of sustainability risks can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## **Financial Derivative Instruments**

When a Sub-Fund invests in warrants, the price per Share of the Fund may fluctuate more than if the Sub-Fund was invested in the underlying security(ies) because of the greater volatility of the warrant price.

A Sub-Fund may invest in financial derivative instruments as part of its strategy, unless otherwise provided in the relevant Annex of a Sub-Fund.

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

Different financial derivative instruments involve levels of exposure to risk. In particular, investors should be aware of the following:

### **a) Forwards**

The Fund may engage in forward foreign exchange contracts for hedging purposes, to alter the currency exposure of the underlying assets in accordance with the investment objectives of the Sub-Fund. To the extent the currency positions held by the Fund does not correspond with the asset position held in the Sub-Fund, the performance may be strongly influenced by movements in the FX exchange rates. The Fund may suffer a loss where there are cancellations or adjustments in a forward contract entered into by the Fund. These cancellations or adjustments of forward contracts may be due to either high redemptions or for any other reason due to which the forward contract is terminated or unwound.

Forward contracts are not traded on exchanges and are not standardized; 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 or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to the Fund.

**b) Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Sub-Fund's position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Sub-Fund's investment, and this can work against as well as for the Sub-Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

**c) Swaps**

The Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to strategies, equity securities, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund. The most significant factor in the performance of swap agreements is the change in the individual equity values, the Fund's net asset value, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Fund.

**d) Options**

There are many different types of options with different characteristics subject to different conditions:

**(i) Buying Options**

Buying options involves less risk than selling options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on a futures contract and the Fund later exercises the option, the Fund will acquire the future. This will expose the Fund to the risks described under "Futures" and "Contingent Liability Transactions".

**(ii) Writing Options**

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as "covered call options") the risk is reduced. If the Fund does not own the underlying asset (known as "uncovered call options") the risk can be unlimited. Subject to the overall limit on leverage which may be utilised by the Fund, there is no restriction on the Fund's ability to write options. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

**(iii) Contracts for Differences**

Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option. Transactions in contracts for differences may also have a contingent liability and an investor should be aware of the implications of this as set out below.

**(iv) Off-Exchange Transactions**

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, derivatives may involve greater risk than investing in on-exchange derivatives instruments because there is no exchange market on which to close out an

open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what is a fair price.

#### **(v) Contingent Liability Transactions**

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, contracts for differences or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose an investment in the Fund to substantially greater risks.

#### **(vi) Suspensions of Trading**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

#### **(vii) Clearing House Protections**

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on the Fund's behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the Fund as the customer and may not protect the Fund if the broker or another party defaults on its obligations to the Fund. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

#### **(viii) Insolvency**

A derivative broker's insolvency or default, or that of any other brokers involved with the Fund's transactions, may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral and the Fund may have to accept any available payment in cash.

### **e) Hedging techniques**

The Fund may engage in currency hedging transactions with regards to a certain Class (the "Hedged Class"). Hedged Classes are designed (i) to minimize, when a Class has a currency denominated in a currency other than the Sub-Fund Currency, exchange rate fluctuations between the Class currency of the Hedged Share Class and the Sub-Fund currency or (ii) to reduce exchange rate fluctuations between the Class currency of the Hedged Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Class currency of the Sub-Fund or other material currencies within the Sub-Fund is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted. This risk for holders of any Hedged Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the CSSF. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Class from benefiting from any potential increase in value of the Class expressed in the Class currency(ies), if the Hedged Class currency falls against the Class currency(ies). Additionally, Shareholders of the Hedged Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on

and the costs of the relevant financial instruments will accrue solely to the relevant Class.

#### **f) Valuation Risks**

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued.

Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives involves an independent check of the valuations provided by the counterparties and is verifiable by an approved statutory auditor.

#### **Securities Lending and repurchase transactions**

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this Prospectus.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

#### **Equity risk**

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

#### **Holding Securities Overseas**

Securities held with a local correspondent or clearing / settlement system or securities correspondent ("Securities System") may not be as well protected as those held within Luxembourg. In particular, losses may be incurred as a consequence of the insolvency of the local correspondent or Securities System. In some markets, the segregation or separate identification of a beneficial owner's securities may not be possible or the practices of segregation or separate identification may differ from practices in more developed markets.

#### **Counterparty Risk**

The Fund will be subject to the risk of the inability of any counterparty (including the clearing broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

## **Foreign securities**

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

## **Emerging Markets**

In emerging markets, in which some of the Sub-Funds will invest, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

## **Political and Economic Risks**

- Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms. Assets could be compulsorily acquired without adequate compensation.
- A country's external debt position could lead to the sudden imposition of taxes or exchange controls.
- High inflation can mean that businesses have difficulty obtaining working capital.
- Local management are often inexperienced in operating companies in free market conditions.
- A country may be heavily dependent on its commodity and actual resource exports and therefore be vulnerable to weaknesses in world prices for these products.

## **Legal Environment**

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract.
- There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

## **Accounting Practices**

- The accounting and audit systems may not accord with international standards.
- Even when reports have been brought into line with international standards, they may not always contain correct information.
- Obligations of companies to publish financial information may also be limited.

## **Shareholder Risk**

- Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.
- There is generally no concept of fiduciary duty to shareholders on the part of management.
- There may be limited recourse for violation of such shareholder's rights as pertain.

## Market and Settlement Risks

- The securities markets of some countries lack the liquidity, efficiency, regulatory and supervisory controls of more developed markets.
- Lack of liquidity may adversely affect the value or ease of disposal of assets.
- The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Funds.

## Price Movement and Performance

- Factors affecting the value of securities in some markets cannot easily be determined.
- Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

## Currency Risk

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
- The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses.

## Taxation

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Sub-Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Sub-Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

## **Special risk considerations in relation with India**

### **Indian Market Characteristics**

Trading markets in Indian assets, both onshore and offshore, are substantially smaller (on the basis of market capitalization, value of securities traded and number of participants) than certain other developed markets. As a consequence, the Fund may invest in a relatively limited number of issuers, some or many of which may operate in the same industry or economic sector. Trading markets in India may be subject to greater price volatility and less liquidity than is usually the case in the developed markets globally.

The size of the companies traded on Indian securities markets may pose special risks as they are often smaller than those whose securities are stated in the developed countries globally. Limited product lines, limited markets, and fewer managerial and financial resources, may make smaller companies more vulnerable to losses and increase the possibility of insolvency. Their securities may be more volatile and less liquid because of the less-extensive market making and arbitrage activity. Trades of significant blocks of securities by large investors, and adverse events affecting the markets generally, may have a greater impact than in the market of developed countries.

Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements.



Further, from time to time, disputes have occurred between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the equity shares held by the Fund.

There may be less reliable information available in the Indian markets than in other developed countries. The level of government supervision of securities exchanges tends to be lower and broker and listed companies are generally subject to less regulation as well. Accounting, auditing, and financial reporting standards are often less rigorous and may not be consistently applied. Local market participants may have information not available to outsiders. Thus, the Fund may have available less information, and less reliable information, than would be normal in developed countries.

High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures could inhibit economic activity in India and thereby possibly adversely affect the Fund's investments. Inflation may also directly affect the underlying investments by increasing operating costs and/or reducing the returns from such investments.

### **Indian Governmental, Economic and Political Considerations**

The Fund and the price and liquidity of its investments may be affected generally by exchange rates and controls, interest rates, changes in Indian governmental policy, legal, regulatory, taxation, social and religious instability and political, economic or other developments in or affecting India. In particular future political and economic conditions in India may result in its government adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, with potentially adverse effects on the Fund's investments. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect market conditions and prices and yields of the Fund's investments.

### **Limited Diversification/ Concentration Risk**

It is expected that the investment portfolio of certain Sub-Funds will be concentrated in India. This increases the risk of an investment in the Fund by increasing the relative impact of changes in the market, economic or political environment affecting India.

Investors should avoid excessive investment in any single type of investments (in terms of its proportion of their overall investment portfolio), so as to avoid the investment portfolio being over-exposed to any particular investment risk.

### **Indian Regulatory Infrastructure**

The regulatory infrastructure in India is unique and relatively underdeveloped. In most cases, securities laws are evolving and far from adequate for the protection of the public from serious fraud. Investments made by the Fund will be subject to risks such as changes in applicable laws, instability of government, possibility of expropriation, limitations on the use or removal of funds or other assets, change in governmental administrations or economic and monetary policy, changes in dealing with nations or changes in provisions related to Double Taxation Avoidance agreements and/or such other treaty and agreements between countries. Also, onshore and/or local currency denominated investments/trades in some of these markets are and may continue to be subject to various regulatory approvals which, where required and deemed appropriate, the Fund will seek to obtain from time to time, however no assurance can be provided that the Fund will be successful in doing so.

### **Indian Controls on Repatriation of Capital and Profits**

The right to repatriate capital, dividends and interest income may be subject to prior government approval. The Fund's investments, and income it receives on those investments, might be denominated in local currency which will need to be ultimately converted to USD. To the extent that a prior government approval is required to repatriate funds, the Fund may be adversely affected by delay in approval, and where exchange rates are fluctuating, delay may directly and adversely affect the value of the repatriated sum on conversion to USD.

### **Indian Clearing, Settlement and Registration Systems**

Although the Indian primary and secondary equity markets have grown rapidly over the last few years and the clearing, settlement and registration systems available to effect trades on the Indian stock markets have significantly improved with mandatory dematerialization of shares, these processes may still not be on a par with those in more mature markets. Problems of settlement in India may impact on the Net Asset Value and the liquidity of the Fund's investments.

## **Regulatory Risk of Foreign Investment in India**

Foreign investment in the securities of issuers in India is usually restricted or controlled to some degree. In India, only FPIs that comply with certain statutory conditions may make direct investments in exchange traded Indian securities (and securities to be listed, or those approved on the over-the-counter exchange of India).

### **Indian Investigations and Actions**

Any investigations of, or actions against the Fund and the Sub-Funds initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund or the Sub-Funds.

### **Risk of loss of FPI registration**

Investment by the Fund in India is dependent on the registrations the Sub-Funds and the Mauritius Subsidiaries as FPIs. In the event that any of these registrations is terminated, the respective Sub-Fund or the Mauritius Subsidiary might be required to liquidate its positions in Indian securities at an inopportune time or upon disadvantageous terms.

Any investigations of, or actions against, the Sub-Funds or the Mauritius Subsidiaries or any of their shareholders initiated by the SEBI or any other Indian regulatory authority may impose a ban of the investment and trading activities of the Sub-Funds or the Mauritius Subsidiaries.

Additionally, SEBI has issued new guidelines on eligibility norms and KYC guidelines with respect to FPIs. Failure to comply with the guidelines may lead to a loss of FPI registration for the Fund and the Sub-Funds.

### **Renegotiation of the India/Mauritius Tax Treaty**

The governments of India and Mauritius may amend the India/Mauritius Tax Treaty going forward and no assurance can be provided that the terms of the India/Mauritius Tax Treaty will not be subject to amendment or reinterpretation in the future and such change could have a material adverse effect on the returns earned by the Mauritius Subsidiary. There can be no assurance that the India/Mauritius Tax Treaty will continue and will be in full force and effect during the life of the Mauritian Subsidiary.

### **Corporate debt limits**

The aggregate investments by FPIs and other permitted investors in corporate debt (including any investments in debt and money market funds) and government securities are regulated by RBI and SEBI. The overall limit available under corporate debt and government securities provided to FPIs registered with SEBI are notified by SEBI from time to time. Such limits may be made available through a first come first serve basis, auction mechanism or such other process as may be notified by SEBI.

It is possible that the debt limits may be completely utilized and hence may not be available by the time the Mauritius Subsidiaries / Sub-Funds intends to make the investments. The Mauritius Subsidiaries/ Sub-Funds may be required to obtain the debt limits through a bidding process. Further, debt limits may expire on sale or maturity of the debt investments and hence for any reinvestment in debt securities or debt mutual funds, an entity would then be required to obtain the limits again through the bidding process.

In case of non-availability of debt limits, the Mauritius Subsidiaries/ Sub-Funds will not be able to make investments in debt instruments or debt mutual funds and thereby limit the ability of the Investment Manager to meet the Fund's investment objective.

### **Tax**

Tax regulations differ from country to country and taxation laws applicable to derivative incomes/losses may be different in various jurisdictions. The Fund does not offer tax advice. Investors are requested to seek independent tax advice.

Additionally, Shareholders may be liable for any tax liabilities of the Fund pertaining to prior years that may arise.

The Fund may invest indirectly in the securities of Indian companies through a wholly owned subsidiary of the Fund formed in the Republic of Mauritius. The taxability of the income of the Fund for investments made through the Mauritius Subsidiaries would be dependent upon the Double Taxation Avoidance Agreements between Mauritius and the countries where investments are undertaken. Changes in tax regulations may impact the Fund's operations and profitability.

There can be no assurance that these treaties will continue to be in full force and effect during the existence of the Fund or that the Fund will continue to enjoy the benefit of the tax treaties. Moreover, if the Mauritius Subsidiaries are held to have a PE in India and the Indian securities sold by the Mauritius Subsidiaries are regarded as forming part of the business property of such PE, the Mauritius Subsidiaries may not be entitled to avail of the capital gains benefit under the India/Mauritius Tax Treaty.

### **Tax residency of the Fund in India**

The ITA provides that a company shall be a tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its 'place of effective management' ("POEM") in that year is in India. POEM is defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. The Central Board of Direct Taxes has recently issued guidelines for determination of PEOM of a company. In case a foreign company is treated to have its POEM in India, there is a risk of it being treated as a tax resident of India in which case its worldwide income could be taxed in India.

### **Risk of non-renewal of Tax Residency Certificate**

While the Mauritius Subsidiaries currently hold a Tax Residency Certificate (TRC) in Mauritius and is expected to renew it on an annual basis, there is no guarantee that such renewal would be granted by the Mauritius Revenue Authority. In case the TRC is not renewed, they may no longer be eligible for the benefits under certain tax treaties and consequently have an adverse impact on the taxability of the Fund and the returns to the investors.

### **Indirect Transfer of Indian Assets**

The ITA levies capital gains tax in India on income accruing to a non-resident from the transfer of a share or interest in a foreign company or entity where such share / interest derives, directly or indirectly, its 'value substantially' from Indian assets. The non-resident paying the consideration in respect of such indirect transfer of Indian asset is required to withhold tax on the consideration amount.

Amendments to ITA has clarified that the foregoing indirect transfer provisions shall not cover within their ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category-I. Thus, transfer or redemption of shares held by the investors directly or indirectly in such FPIs will not be subject to any tax / withholding tax in India.

### **General Anti-Avoidance Rules**

GAAR related provisions of the ITA is in effect from 1 April 2017. GAAR will not apply to any income accruing or arising to or deemed to accrue or arise to or received or deemed to be received by any person, from transfer of investments made before 1 April 2017. However, GAAR will apply to any arrangement, irrespective of the date on which it has been entered into, in respect of tax benefits obtained from the arrangement on or after 1 April 2017. Please refer to the section "TAXATION" of this Prospectus for a summary of the provisions of GAAR provisions included in the ITA.

If the Indian tax authorities were to apply the GAAR to the Mauritius Subsidiaries, it could result in the benefits under the India/Mauritius Double Tax Treaty being denied to the Mauritius Subsidiaries. Consequently, the application of GAAR could have an adverse impact on the taxability of the Mauritius Subsidiaries and the returns to the Fund and the Investors.

### **Taxation on redemption of debt instruments**

In case of sale or redemption of debt instruments or exercise of any put and/or call option embedded in the debt securities, there is a potential risk that the tax authorities may not accept the income or premium on sale or exercise of any embedded option or redemption of these instruments, such as non-convertible debentures, deep discounted bond, etc. in the nature of capital gains and may characterize the same as interest payments and may subject to applicable withholding tax.

### **Portfolio Management Techniques**

The Fund may lend securities to securities brokers and other institutions as a means of earning additional income, or borrow securities from securities brokers or other institutions. Insolvency or bankruptcy of the other party could result in a loss to the Fund.

The Fund may enter into repurchase agreements, by which it buys a security and simultaneously agrees to sell it back later at a higher price, or in reverse repurchase agreements, by which the Fund sells a security and simultaneously agrees to buy it back later at a higher price. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

## GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles of Incorporation and Material Contracts described below and is provided subject to the general provisions of each of such documents.

### 1. The Fund

The Fund was incorporated as an open-ended investment company with multiple compartments ("*société d'investissement à capital variable*" (SICAV) à *compartiments multiples*) on 12 September 2007. The Fund is governed by Luxembourg law and is established in accordance with the provisions of Part I of the Law.

The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited.

The Articles of Incorporation at incorporation were filed with the *Registre de Commerce et des Sociétés* of Luxembourg and were published in the *Mémorial, Recueil des Sociétés et Associations* on 29 September 2007. The Articles of Incorporation were last amended on 11 July 2019, by notarial deed. The consolidated Articles of Incorporation were filed with the *Registre de Commerce et des Sociétés* of Luxembourg where copies may be obtained. The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 131576.

The Fund is designed to offer investors, within the same investment vehicle, a choice between several Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

By applying for Shares, the Applicant agrees to be bound by the terms and conditions of the subscription documents, the Prospectus and the Articles of Incorporation. This contractual relationship is governed by Luxembourg laws. The Fund, the Management Company, their respective delegates and Shareholders will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Fund or any related matter. Shareholders will not acquire any direct legal interest in investments made by the Fund.

According to EU Regulation 1215/2015 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, a judgement given and enforceable in an EU Member State shall in principle be recognised in the other EU Member States without any special procedure being required and shall generally be enforceable in the other EU Member States on the application of any interested party, save in certain circumstances.

### 2. Share Capital

The capital of the Fund corresponds to its net assets which shall at all times be no less than the minimum foreseen by the Law (i.e. EUR 1,250,000 or its equivalent in another currency).

The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights.

Each whole Share is entitled to one vote at all meetings of Shareholders. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

### **3. Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares**

The Directors may suspend the determination of the Net Asset Value for a Sub-Fund and hence the allotment, issue, redemption and conversion of Shares of that Sub-Fund if, at any time, the Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise during:

- a) during any period when any market or stock exchange, on which a material part of the investments of the relevant Sub-Fund for the time being is quoted, is closed (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets attributable to such Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the shareholders of the Sub-Fund;
- c) during any breakdown or restriction in the use of the means of communication normally employed to determine the price or value of any of the investments attributable to such Sub-Fund or the current prices or values of any stock exchange;
- d) during any period when the Fund is unable to repatriate monies for the purpose of making payments on the redemption of such shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- e) during any period when in the opinion of the Directors there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with shares of any Sub-Fund or any other circumstance where a failure to do so might result in the shareholders of the Fund, a Sub-Fund or a Class of Shares incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the shareholders of the Fund, a Sub-Fund or a Class of Shares might not otherwise have suffered;
- f) in the event of the publication (i) of the convening notice to a general meeting of shareholders at which a resolution to wind up the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to wind up one or more Sub-Funds, or (ii) to the extent that such a suspension is justified for the protection of the shareholders, of the notice of the general meeting of shareholders at which the merger of the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to merge one or more Sub-Funds;
- g) in the case of the suspension of the calculation of the net asset value of one or several funds in which a Sub-Fund has invested a substantial portion of assets;
- h) any period when the net asset value of any subsidiary of the Fund may not be determined accurately.

In accordance with the Law, the issue and redemption of Shares shall be prohibited:

- (i) during the period where the Fund has no depositary; and
- (ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or controlled management or is the subject of similar proceedings.

Notice of any suspension will be published by the Fund, if the Directors, at their sole discretion, consider it appropriate. Shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended will be notified.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, redemption and conversion of Shares of any other Sub-Fund not affected by the same circumstances.

In case of a suspension of the calculation of the Net Asset Value in the relevant Sub-Fund, Shareholders may give notice that they wish to withdraw their application for subscription, conversion or redemption. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

### **4. Publication of Prices**

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund and the Administrator. The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price may be published in any newspaper or other means of communication the Directors may determine from time to time.

## 5. Meetings

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg (or any other place indicated in the convening notice) within 6 months of the end of the financial year. Shareholders will be convened in accordance with Luxembourg law. Notices of all general meetings will, to the extent required by Luxembourg law, be published in the *Recueil électronique des sociétés et associations (RESA)* and in such other newspapers as the Directors shall determine.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

Matters relating to a particular Sub-Fund or Class, such as a vote on the payment of a dividend in relation to that Sub-Fund, may be decided by a vote at a meeting of the Shareholders of that Sub-Fund or Class, as appropriate. Any decisions of Shareholders of the Fund affecting the rights of Shareholders of a particular Sub-Fund or Class must be approved by a resolution both of the Shareholders of the Fund and of the Shareholders of the Sub-Fund or Class, as appropriate, in question.

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

## 6. Dissolution of the Fund

The Fund may be dissolved at any time by decision of the general meeting of shareholders deciding with the same quorum and majority requirements as for the amendment of the Articles of Incorporation.

The question of the dissolution of the Fund must also be submitted to the general meeting of shareholders if the share capital falls below two-thirds of the minimum share capital required by the Law; in this case, the general meeting shall deliberate with no quorum requirement and shall decide by a simple majority of the votes cast.

The question of the dissolution of the Fund must also be submitted to the general meeting of shareholders if the share capital falls below one quarter of the minimum share capital required by the Law; in this case, the general meeting shall deliberate with no quorum requirement and the dissolution may be resolved by shareholders holding a quarter of the shares at the meeting.

Such general meeting of shareholders shall be convened so that it is held within 40 days from the ascertainment that the net assets of the Fund have fallen below two-thirds or one quarter of the minimum share capital, as the case may be.

In the event of the dissolution of a Sub-Fund, the liquidation will be carried out pursuant to the provisions of the Law, which sets out the procedures to enable shareholders to benefit from liquidation proceeds and in this context provides for the depositing of any amount that could not be distributed to shareholders when the liquidation is complete with the Caisse de Consignation in Luxembourg.

## 7. Liquidation and merger of Sub-Funds

### **Liquidation of a Sub-Fund**

The Directors may decide to close one or more Sub-Funds in the interests of the Shareholders, if, in the opinion of the Directors, significant changes in the political or economic situation render this decision necessary or if for any reason the value of the net assets of one or more Sub-Funds falls below an amount considered by the Directors to be the minimum threshold for the Sub-Fund to be managed properly.

The Directors may also decide to convene a general shareholders' meeting for a Sub-Fund for the purpose of deciding its dissolution. This general meeting will deliberate without any quorum requirement and the decision to dissolve the Sub-Fund will be taken by a majority of the votes cast.



In the event of the dissolution of a Sub-Fund, the liquidation will be carried out pursuant to the provisions of the Law, which sets out the procedures to enable shareholders to benefit from liquidation proceeds and in this context provides for the depositing of any amount that could not be distributed to shareholders when the liquidation is complete with the *Caisse de Consignation* in Luxembourg.

#### **Merger with another Sub-Fund or with another undertaking for collective investment**

The Directors may decide to merge any Sub-Fund with another undertaking for collective investment qualifying as a UCITS (whether subject to Luxembourg law or not) or with another Sub-Fund of the Fund.

Any such merger shall be decided by the Directors unless the Directors decides to submit the decision for a merger to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for such a meeting and decisions are taken by a simple majority of the votes cast. In case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of Incorporation.

Any such merger will be undertaken in accordance with the Law which provides, inter alia, that shareholders will be informed of such mergers and have the possibility to redeem their shares free of charge during 30 days prior to the last day on which such redemptions will be accepted.

#### **Consolidation / Split of Classes of Shares**

The Directors may also decide to split or consolidate different Classes of Shares within a Sub-Fund. Such decision will be published in accordance with applicable laws and regulations.

#### **Split of Sub-Funds**

The Directors may decide the reorganisation of a Sub-Fund, by means of a division into two or more Sub-Funds. Such decision will be published in accordance with applicable laws and regulations. Such publication will normally be made one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their shares, free of charge, before the operation involving division into two or more Sub-Funds becomes effective.

### **8. Material Contracts**

The following contracts, as may be amended from time to time, have been entered into by the Fund and are, or may be, material:

- (A) An Agreement dated as of 12 September 2007 between the Fund and the Management Company, pursuant to which the latter was appointed, subject to the overall control of the Directors, with responsibility on a day-to-day basis, for providing administration, marketing, investment management and advisory services in respect of all the sub-funds of the Fund.
- (B) An Agreement effective as of 1 April 2017 between the Fund, the Management Company and the Investment Manager pursuant to which the latter was appointed, subject to the overall control of the Management Company, to manage the Fund's investments.
- (C) An Agreement dated as of 12 September 2007 between the Fund, the Management Company, the Investment Manager and the Global Distributor pursuant to which the latter was appointed, subject to the overall control of the Management Company as global distributor of the Fund's Shares.
- (D) An Agreement effective as of 25 May 2021 between the Fund, the Management Company and the Depository Bank pursuant to which the latter was appointed paying agent and depository bank of the assets of the Fund.
- (E) An Agreement effective as of 25 May 2021 between the Fund, the Management Company and the Administrator pursuant to which the latter was appointed as Administrator, Registrar and Transfer Agent and Domiciliary Agent of the Fund.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors.

## 9. Documents available for inspection

The following documents may be consulted free of charge on each Business Day during normal business hours at the Fund's registered office:

- The Articles of Incorporation;
- The Prospectus;
- The Key Investor Information Documents;
- The material Contracts referred to above; and
- Annual and semi-annual reports.

A copy of the Articles, the Prospectus, the Key Investor Information Document and copies of the annual and semi-annual reports of the Fund may be requested free of charge from the registered office of the Fund, the Administrator or the Global Distributor. These documents are also available under <http://kotakamc.sg/ucits>.

## 10. Complaints Policy

Any investor wishing to obtain additional information or make a complaint regarding any aspect of the Fund or its operations may do so directly to the Fund c/o Brown Brothers Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg or to Kotak Mahindra (UK) Limited, at 8th Floor, Portsoken House, 155-157 Minories, London EC3N ILS, United Kingdom, for onward transmission to the Fund.

### **PROCESSING OF PERSONAL DATA**

The Fund (the "Controller") processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

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

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [Kotak.TA@bbh.com](mailto:Kotak.TA@bbh.com) or to the Fund's registered address: 80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg (B.P. 4103, L-2014 Luxembourg) and for the attention of BBH Investor Relations Manager, or by calling +352 474 066 6763.

### **Obtaining and accessing the Privacy Notice**

The Privacy Notice is available and can be accessed or obtained online (<http://kotakamc.sg/ucits>), by calling +352 474 066 6763, or upon request addressed to [Kotak.TA@bbh.com](mailto:Kotak.TA@bbh.com) or at the Fund's registered address at 80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg (B.P. 4103, L-2014 Luxembourg) for the attention of BBH Investor Relations Manager.

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

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "Processors") are processing the Data on behalf of the Controller; that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the "Purposes") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in

the Fund, (ii) enabling the Controller and the Processors to perform their services for the Fund, and (iii) enabling the Controller and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;

- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, the Controller or its service providers in relation to the Fund, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deems appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless from and against adverse consequences arising from any breach of the foregoing.

## ANNEX 1: KOTAK FUNDS – INDIA ESG FUND

The objective of the Sub-Fund is to achieve long term capital appreciation by primarily investing at least two thirds of its total assets in equity and equity linked securities of companies registered in India or deriving a significant portion of their business from India. The Sub-Fund will invest at least 50% of its total assets in equity securities.

The Sub-Fund will invest directly and/or indirectly in equity and equity-linked securities of companies that in the opinion of the Investment Manager have one or more of the following characteristics:

- i) Companies which are expected to sustain high growth due to their ability to create new markets, develop nascent business segments, operate successfully in niche segments with scale-up potential.
- ii) Companies expected to create and deliver long term value due to innovation and IPR development.
- iii) Companies with the potential for value unlocking in the medium to long term due to strategic sale, change in management, deregulation, economic legislation and reform.
- iv) Companies which are sectoral leaders and enjoy leadership in their respective segments.
- v) Companies which are strong asset plays.
- vi) Companies which are expected to witness operational and financial improvement due to positive swing in their business cycles.

The Sub-Fund will seek to deliver returns in a socially responsive manner by combining a value and growth oriented investment philosophy with an Environmental Social and Governance (“ESG”) principle overlay. The Investment Manager integrates ESG factors in its investment management process and evaluates companies on the basis of these factors before an investment decision is made, thereby promoting, among other characteristics, environmental and social characteristics within the meaning of Article 8 of SFDR. While identifying investee companies, the Investment Manager will seek to incorporate ESG considerations within the fundamental analysis and seek to gain an understanding of the relevant ESG issues applicable to such companies.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- (iv) the production of tobacco products;
- (v) production of alcohol products;
- (vi) the ownership or operation of gambling-related activities or facilities; and
- (vii) production of adult entertainment materials.

The assessment of the level of involvement in each activity may be based on percentage of revenue or any other parameter connected to a restricted activity.. Currently, the revenue threshold followed by the Investment Manager is 0% revenue share from activities listed in items (i), (ii) and (vii) above and 10% revenue share from activities listed in items (iii), (iv), (v) and (vi).

In addition to exclusion as mentioned above, the Investment Manager shall use a rating method developed by an external service provider of global repute and / or approved by regulators. Currently, the Investment Manager uses the rating provided by Sustainalytics and the rating methodology is available on the website: <https://www.sustainalytics.com/esg-data>, whereby an ESG risk rating measuring the degree to which a company’s economic value is at risk driven by ESG factors is attributed to investee companies. Based on the rating assigned to an investee company, the latter will fall within one of the following categories of ESG risk severity:

Score	ESG risk severity
0-10	Negligible
10-20	Low
20-30	Medium
30-40	High
40+	Severe

Investee companies for which a score is not available or with a score of more than 40 shall be limited, in aggregate, to 20% of the Sub-Fund’s portfolio at the time of investment. For investee companies where Sustainalytics doesn’t provide coverage, the Investment Manager may use rating provided by other approved external ESG rating service providers. The direct interactions of the Investment Manager with the investee companies will also be taken into account in its investment decisions.

If the Investment Manager determines that an investee company no longer meets its ESG criteria (such as the development of controversial behaviour, an acquisition, a change of business mix or due to new information), the Investment Manager will first seek to remediate through engagement with the investee company. Where the investment is deemed inappropriate in respect of the Investment Manager's ESG criteria and the investment objective and policy of the relevant Sub-Fund, a commercially reasonable effort will be made to divest promptly. If divestment is not practical or would be inconsistent with sound financial management, the Investment Manager will develop a reasonable plan for divestment. There is no blanket requirement for forced disposals, and there may be occasions where the exposure to undesirable investments or restricted activities (in respect of the ESG criteria) may take a period of time to be eliminated.

The ESG focus of the Sub-Fund flows from the three 'E's followed by the Investment Manager, which are Exclusion (sector exclusion), Evaluation and Engagement.

#### Exclusion

Sector filter (as detailed above) is applied to ensure that companies operating in sectors that have adverse impact on the environment or social causes are excluded.

#### Evaluation

The Investment Manager believes ESG factors can positively or negatively influence risk and returns, especially in the long term and hence, ESG principles are an integral part of the Investment Manager's philosophy. It provides additional insights into a potential portfolio company's long-term competitive edge and allows for the identification of risks that financial analysis might not fully consider. Therefore, as part of the investment decision process, various ESG factors and the overall ESG ratings prescribed by Sustainalytics are considered to evaluate the sustainability risk to the investee company, and the adverse impact on the environment and social matters due to the activity of the investee company.

#### Engagement

On a regular basis, the Investment Manager seeks to engage with investee companies to promote ESG awareness, take their feedback on various ESG issues that have been raised, and the future plans of the company to address such issues. The Investment Manager also has specific ESG only meetings with the investee companies where the ESG analysts take the lead in engagements.

The Investment Manager believes in ongoing engagement with companies especially those in the "high" and "severe" category in order to monitor the ESG risks related to the companies and also focus on improvements, if any.

In line with its ESG methodology, the Sub-Fund promotes, inter alia, the aforementioned environmental criteria but does not commit to invest in taxonomy-aligned environmentally sustainable activities which contribute to the environmental objectives set out under Article 9 of Regulation (EU) 2020/852.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also hold ancillary liquid assets for treasury purposes.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also invest in liquid assets like bank deposits, money market instruments and money market funds in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions. For defensive purposes, the Sub-Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

The Sub-Fund may also invest, for the exclusive purposes of hedging and efficient portfolio management, in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives including index based derivative instruments.

A Mauritius subsidiary, wholly-owned by the Fund, may be used as an efficient means of investing.

Notwithstanding the provisions of the main part of the Prospectus, the Sub-Fund will not enter into securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/012, namely total return swaps, repurchase and reverse repurchase agreements and securities lending transactions.

### **Profile of the typical Investor**

The Sub-Fund may be suitable for investors seeking long term capital appreciation from investment in Indian equities. Investors should consider the Sub-Fund as a long-term investment with a commitment of 3 to 5 years.

### **Benchmark**

MSCI India Index

The Sub-Fund uses the benchmark for performance comparison purposes.

The Sub-Fund is actively managed. This means the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning, and the Sub-Fund will not hold all, or indeed may not hold any, of the benchmark constituents. The deviation from the benchmark may be complete or significant.

### **Reference Currency**

The reference currency of the Sub-Fund is the US Dollar.

### **Investment Management Fee**

Class	Investment Management Fee (% p.a.)
I	Up to 1.00
A	Up to 2.00
B	Up to 2.00
C	Up to 1.00
S	Up to 0.85
X	Up to 1.00
P	Up to 1.50

The Management Fee is calculated and accrued daily and payable monthly in arrears.

### **Additional Information relating to the Sub-Fund**

The Fund has incorporated India Bluechip (Mauritius) Ltd. (the "Bluechip Subsidiary") on 14 December 2009, as a wholly-owned subsidiary. It may hold a substantial proportion of the assets of the Sub-Fund. The Bluechip Subsidiary has received a tax residence certificate from the Director General of the Mauritius Revenue Authority, on which basis the Bluechip Subsidiary should be entitled to appropriate relief under the India/Mauritius Double Tax Treaty. The Bluechip Subsidiary is registered as a FPI and will make direct investments in India under the FPI regime (for additional information on the FPI regime, please refer to the section on "CERTAIN INDIAN REGULATORY CONSIDERATIONS" in the main part of the Prospectus). There can be no assurance that the treaty will continue to be in full force and effect during the existence of the Fund or that the Fund will continue to enjoy the benefit of the Tax Treaty.

The Bluechip Subsidiary is a private company limited by Shares incorporated under the Mauritius Companies Act 2001. The Bluechip Subsidiary shall issue redeemable ordinary Shares in registered form and the Fund is the sole shareholder in the Bluechip Subsidiary. The Bluechip Subsidiary holds a Category 1 Global Business Licence under the Financial Services Act 2007.

The directors of the Bluechip Subsidiary are:

- Christopher Daniel, - Senior Executive Vice President, Compliance, Kotak Mahindra (UK) Limited, London
- Ruchit Puri, Chief Executive Officer, Kotak Mahindra (UK) Limited, Singapore
- Doonaye Sookye, Manager - Secretarial, IQ EQ Fund Services (Mauritius) Ltd, Mauritius
- Bhavish Banipersad - Senior Manager - Investor Services, IQ EQ Fund Services (Mauritius) Ltd, Mauritius

The directors of the Bluechip Subsidiary are responsible for establishing the investment policy and restrictions of the Bluechip Subsidiary and for monitoring its operations. The Bluechip Subsidiary adheres to the investment policy and restrictions contained in this Prospectus



which apply to the Sub-Fund and the Fund on a collective basis. The Bluechip Subsidiary carries out exclusively activities relating to the Sub-Fund.

IQ EQ Fund Services (Mauritius) Ltd provides company secretarial and administrative services to the Bluechip Subsidiary including maintenance of accounts, books and records. IQ EQ Fund Services (Mauritius) Ltd is incorporated in Mauritius and is licensed by the Financial Services Commission, Mauritius to provide inter alia company management services to offshore companies. Ernst & Young, Mauritius has been appointed auditors of the Bluechip Subsidiary.

As a wholly-owned subsidiary of the Fund all assets and liabilities, income and expenses of the Bluechip Subsidiary are consolidated in the statement of net assets and operations of the Fund. All investments held by the Bluechip Subsidiary are disclosed in the accounts of the Fund.

All cash, securities and other assets of the Bluechip Subsidiary are held by the Bluechip Subsidiary with the Depository Bank on behalf of the Fund. However, for the avoidance of doubt, the Depository Bank will not act as depository of the Bluechip Subsidiary.

Investors should note that assets held by the Sub-Fund through the Bluechip Subsidiary at the date of this Prospectus will, at the discretion of the Investment Manager, over a period of time be held by the Sub-Fund directly. Once all assets are held directly in the name of the Sub-Fund, the Bluechip Subsidiary shall be liquidated without such event being notified to Shareholders. In such case, the Prospectus will be updated to the next possible opportunity.

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

**Product name: Kotak Funds – India ESG Fund**

**Legal entity identifier: 5493001KJTIIIGC8Y1R12**

**Environmental and/or social characteristics**

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

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance

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



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

The Sub-Fund will seek to deliver returns in a socially responsive manner by combining a value and growth oriented investment philosophy with an Environmental Social and Governance (“ESG”) principle overlay. The Investment Manager integrates ESG factors in its investment management process and evaluates companies on the basis of these factors (as referenced in Table 1 below) before an investment decision is made thereby promoting, among other characteristics, environmental and social characteristics within the meaning of Article 8 of SFDR. While identifying investee companies, the Investment Manager will seek to incorporate ESG considerations within the fundamental analysis and seek to gain an understanding of the relevant ESG issues applicable to such companies.

The Sub-Fund will seek to avoid investment in certain industries and sectors, which are considered having high adverse impact on the environment, or operate in sectors which may be subject to social controversies as well

as avoid investment in companies above a specified ESG risk rating threshold (based on a score provided by an external agency of repute like Sustainalytics). In addition to this, the Investment Manager also engages with the investee companies as part of its stewardship programme, its ESG specific engagements and along with other investors as part of Climate Action 100+ on matters such as ESOP policies, royalty payments, board composition, diversity, capital allocation, sustainability related reporting ahead of regulatory timelines, carbon reduction specific targets, divestment of non-core ESG sensitive businesses, product safety, etc. which automatically promotes positive integration of environmental and social criteria.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- (iv) the production of tobacco products;
- (v) production of alcohol products;
- (vi) the ownership or operation of gambling-related activities or facilities; and
- (vii) production of adult entertainment materials.

The assessment of the level of involvement in each activity is currently based on percentage of revenue connected to a restricted activity.

In addition to exclusion as mentioned above, the Investment Manager shall use a rating method developed by an external service provider of global repute and / or approved by regulators. Currently, the Investment Manager uses the rating provided by Sustainalytics and the rating methodology is available on the website: <https://www.sustainalytics.com/esg-data>, whereby an ESG risk rating measuring the degree to which a company's economic value is at risk driven by ESG factors is attributed to investee companies. Based on the rating assigned to an investee company, the latter will fall within one of the following categories of ESG risk severity:

Score	ESG Risk Severity
0-10	Negligible
10-20	Low
20-30	Medium
30-40	High
40+	Severe

Investee companies for which a score is not available or with a score of more than 40 shall be limited, in aggregate, to 20% of the Sub Fund's portfolio at the time of investment. For investee companies where Sustainalytics doesn't provide coverage, the Investment Manager may use rating provided by other approved external ESG rating service providers. The direct interactions of the Investment Manager with the investee companies will also be taken into account in its investment decisions.

If the Investment Manager determines that an investee company no longer meets its ESG criteria (such as the development of controversial behavior, an acquisition, a change of business mix or due to new information), the Investment Manager will first seek to remediate through engagement with the investee company. Where the investment is deemed inappropriate in respect of the Investment Manager's ESG criteria and the investment objective and policy of the relevant Sub-Fund, a commercially reasonable effort will be made to divest promptly. If divestment is not practical or would be inconsistent with sound financial management, the Investment Manager will develop a reasonable plan for divestment. There is no blanket requirement for forced disposals, and there may be occasions where the exposure to undesirable investments or restricted activities (in respect of the ESG criteria) may take a period of time to be eliminated.

Additionally, Stewardship lies at the heart of the ESG approach followed by the Investment Manager. Portfolio managers and research analysts collaborate in order to engage with companies which are part of the coverage universe. As active managers, the Investment Manager continuously monitor these companies to discuss various ESG related issues and risks. These could include strategy and performance risk management, board composition, remuneration, audit, climate change, labor issues, human rights and bribery and corruption,

among others. More details about the same can be found online at <https://www.kotakamc.sg/ucits/sustainability-related-disclosures>.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

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

Some of the key factors relating to environment or social characteristics that are considered in the investment decision include (but not limited to) the following:

Table 1

Environment	Social
Carbon emission and its environmental impact	Compliance with employment safety and protection
Energy consumption and focus on resource efficiency	Employee retention policies / attrition levels
Extreme weather events and its impact	Participation of women in the work force / diversity
Environmental pollution and its impact	Presence of unionized staff
	CSR (Corporate Social Responsibility) spends

The PAI indicators as set out below, may be used as a measure to evaluate some of the environment or social characteristics mentioned above.

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

N/A

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

— How have the indicators for adverse impacts on sustainability factors been taken into account?  
N/A

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

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

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

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



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

√ Yes, the key principal adverse impact indicators have been selected based on several factors such as scope, availability, applicability, probability of occurrence and potential irremediable character. Certain indicators may not be included due to lack of data or suboptimal quality of data. Please also refer to disclosure around the limitations of methodologies and data in the “Sustainability Related Disclosures” available on the Fund’s website.

Under the regulatory requirements of Sustainable Finance Disclosure Regulation (SFDR) for Article 8 Funds, there are 14 mandatory indicators covering various environment and social issues and another forty-six additional indicators. Initially the mandatory indicators and the two additional elective PAI indicators would be identified and prioritized. As and when the availability of data improves, more indicators may be added to the list of those being monitored.

The PAIs being considered at present are summarized in the table below. The local regulatory reporting requirements applicable for the Sub-Fund will be complied with and transparency related to these indicators would be provided on a best effort basis.

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

Principal Adverse Impact Indicators (Mandatory)		
Adverse Sustainability Indicator (Group)	Adverse Sustainability Indicator	Metric
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions (from January 1st 2023)
		Total GHG emissions
	2. Carbon footprint	Carbon footprint
	3. GHG intensity of investee companies	GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector

Energy performance	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as percentage
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average
<b>Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters</b>		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	13. Board gender diversity	Average ratio of female to male board members in investee companies
Human rights	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons



Principal Adverse Impact Indicators (Additional)		
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric
Emissions	Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Social and employee matters	Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers

*\*As Sovereign & Supranational and Real Estate Assets are not considered within our equities coverage, we will be reporting 14 instead of 18 mandatory indicators (which will be subject to changes) plus the above mentioned additional indicators*

Research notes seeks to cover the material ESG issues including principal adverse impact indicators relating to the investee company and the road map for the addressing the same. The ESG specific company reports are updated annually. However, controversies relating to a company or any change in disclosures are tracked regularly in order to identify its impact on the long term sustainability.

The investment team uses third party ESG service providers who provide ESG reports highlighting the key ESG indicators and risks for the investee companies. Upon receipt of the research report, the PAIs are prioritised based on the strategy of the relevant fund and the anticipated time horizon of the investment.

The companies are further evaluated by portfolio managers on sustainability factors and their ability to manage the risks associated with ESG compliant business practices (which is considered essential for sustainable growth), their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials.

No



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

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

The objective of the fund is to achieve long term capital appreciation by primarily investing at least two thirds of its total assets in equity and equity linked securities of companies registered in India or deriving a significant portion of their business from India. The fund will invest at least 50% of its total assets in equity securities. The fund will invest directly and/or indirectly in equity and equity-linked securities of companies that in the opinion of the Investment Manager have one or more of the following characteristics:

- i. Companies which are expected to sustain high growth due to their ability to create new markets, develop nascent business segments, operate successfully in niche segments with scale-up potential.
  - ii. Companies expected to create and deliver long term value due to innovation and IPR development.
  - iii. Companies with the potential for value unlocking in the medium to long term due to strategic sale, change in management, deregulation, economic legislation and reform.
  - iv. Companies which are sectoral leaders and enjoy leadership in their respective segments.
- The Fund can invest up to one third of its total assets temporarily in liquid assets, including money-market instruments having a residual maturity not exceeding twelve months and demand or time deposits.

The Fund will apply an ESG sector based and risk score based screening for investments as explained below. Additionally the Fund will apply an ESG overlay by incorporating ESG factors in its investment management process and evaluating companies on the basis of these factors before an investment decision is made as detailed earlier in this document.

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

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
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In addition to exclusion as mentioned above, the Investment Manager shall use a rating method developed by an external service provider of global repute and / or approved by regulators. Currently, the Investment Manager uses the rating provided by Sustainalytics and the rating methodology is available on the website: <https://www.sustainalytics.com/esg-data>, whereby an ESG risk rating measuring the degree to which a company's economic value is at risk driven by ESG factors is attributed to investee companies. Based on the rating assigned to an investee company, the latter will fall within one of the following categories of ESG risk severity:

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

Not Applicable

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

To understand the good governance practices of the investee companies, some of the parameters assessed include:

Parameters assessed	Details
Shareholder structure	Concentration of shareholding, Promoter holding, Private equity holding and ownership etc.
Board composition: Size and structure / tenure etc.; Independence of the Board; remuneration	Size and structure of the Board and its committees, Background and expertise of Directors, No. of independent directors, No. of women directors, remuneration policies for all Board members etc.
Integrity and ethical behavior	Integrity in business decisions and reporting by the management, Transparency: About a company's policies and practices; effective and independent audit function etc.
Capital allocation policies	Capital allocation policies followed in the past and whether it is fair to minority shareholders etc.
Regulatory compliance	Compliance with all regulatory norms at the Board and the company level; transparent and consistent reporting practices, risk management practices and oversight etc.

Note: the list is representative of the key factors tracked and not necessarily exhaustive



**What is the asset allocation planned for this financial product?**

Generally, the Fund would seek to invest at least 80% in instruments aligned with E/S characteristics. However, the Fund may invest some portion (generally not exceeding 20%) in other instruments.

The Fund does not intend to make sustainable investments.

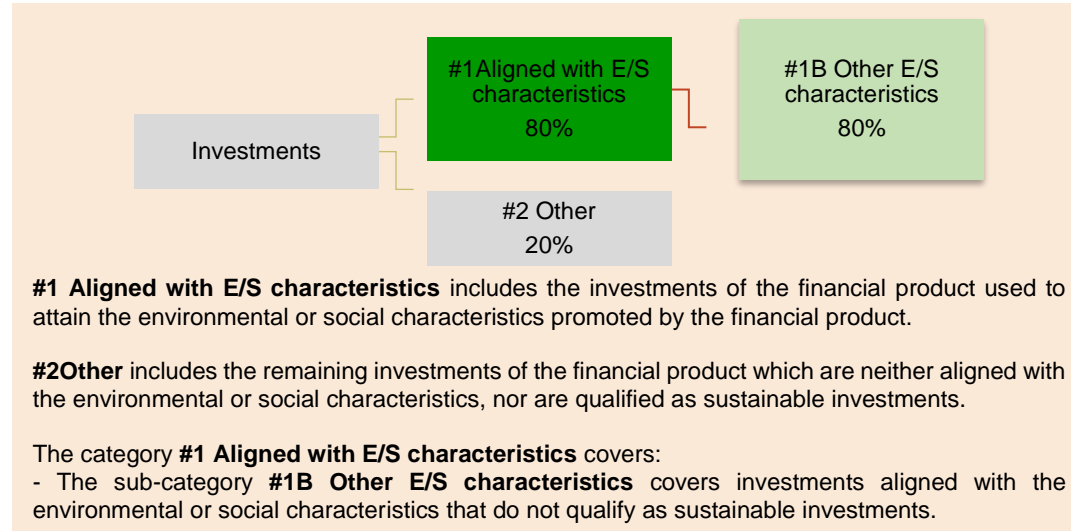
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation**

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund invests in financial derivative instruments for the exclusive purposes of hedging and efficient portfolio management. While identifying single stock derivatives for the purpose of investment, the same level of due diligence shall be applied in relation to ESG metrics, as in the case of cash based transactions.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund does not commit to make sustainable investments and the percentage of Taxonomy alignment of the Sub-Fund’s portfolio is deemed to constitute 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes

In fossil gas  In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

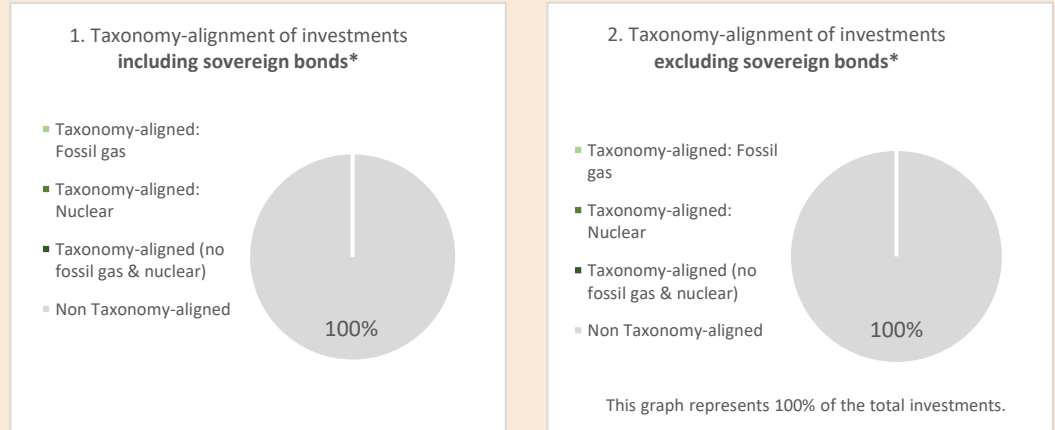
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

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



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

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



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

- **What is the minimum share of investments in transitional and enabling activities?**  
As the Sub-Fund does not commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities is set at 0%.



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

N/A



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

N/A



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

The other instruments include stocks which may have an ESG rating of severe or which may be unrated, index derivatives, ancillary liquid assets (including cash) and liquid assets. While index derivatives are generally used to hedge market risks, ancillary liquid assets and liquid assets are generally used for treasury purposes.

As “Others” include index derivatives, ancillary liquid assets (including cash) and liquid assets, there are no minimum environmental or social safeguards for these investments.

However stocks which may have an ESG rating of severe or which may be unrated, would still have to withstand the test of the sector/revenue thresholds. Additionally the Investment Manager will also be engaging with such companies to address their ESG issues over a period of time.



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

N/A

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

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

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

More product specific information can be found online at [https://www.kotakamc.sg/ucits/sustainability\\_disclosures](https://www.kotakamc.sg/ucits/sustainability_disclosures).



## ANNEX 2: KOTAK FUNDS – INDIA MIDCAP FUND

### Investment Objective and Policy

The objective of the Sub-Fund is to achieve long term capital appreciation by investing at least two thirds of its total assets (excluding cash) in equity and equity linked securities of mid-capitalisation companies<sup>2</sup> (as defined by the Investment Manager from time to time) registered in India or deriving a significant portion of their business from India. The Sub-Fund will have the flexibility to invest up to a third of its assets in equity and equity-linked instruments of large-capitalisation companies. At the time of this Prospectus, large-capitalisation companies are generally those that have a market capitalisation greater than or equal to that of the company which has the 50th largest market capitalisation amongst the companies listed in India at the time of making an investment in that company. The Sub-Fund will invest at least 50% of its total assets in equity securities.

The Investment Manager integrates Environmental Social and Governance (“ESG”) factors in its investment management process and evaluates companies on the basis of these factors before an investment decision is made, thereby promoting, among other characteristics, environmental and social characteristics within the meaning of Article 8 of SFDR. In addition, the Investment Manager is systematically engaging with companies in which the Sub-Fund invests to promote ESG awareness. However, given the lack of long term disclosures levels and lower level of coverage by external agencies on mid and small cap stocks, the ESG analysis may be limited to some extent/ or may not be available for the entire portfolio. Therefore, ESG factors are not binding upon the Investment Manager in the allocation of the Sub-Fund’s portfolio.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- (iv) the production of tobacco products;
- (v) the ownership or operation of gambling-related activities or facilities; and
- (vi) production of adult entertainment materials.

The assessment of the level of involvement in each activity may be based on percentage of revenue or any other parameter connected to a restricted activity.

In line with its ESG methodology, the Sub-Fund promotes environmental characteristics but does not commit to invest in taxonomy-aligned environmentally sustainable activities which contribute to the environmental objectives set out under Article 9 of Regulation (EU) 2020/852.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also hold ancillary liquid assets for treasury purposes.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also invest in liquid assets like bank deposits, money market instruments and money market funds in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions. For defensive purposes, the Sub-Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

The Sub-Fund may also invest, for the exclusive purposes of hedging and efficient portfolio management, in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives including index based derivative instruments.

A Mauritius subsidiary, wholly-owned by the Fund, may be used as an efficient means of investing.

Notwithstanding the provisions of the main part of the Prospectus, the Sub-Fund will not enter into securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/012, namely total return swaps, repurchase and reverse repurchase agreements and securities lending transactions.

<sup>2</sup> Currently, the Investment Manager considers "mid-capitalisation companies" as companies that have a market capitalisation of (i) less than the 50th largest market capitalisation, and (ii) equal or exceeding the 350th largest market capitalisation, amongst the companies listed in India at the time of making an investment in that company.

### **Profile of the typical Investor**

The Sub-Fund may be suitable for investors seeking long term capital appreciation from investment in Indian equities. Investors should consider the Sub-Fund as a long-term investment with a commitment of 3 to 5 years.

### **Benchmark**

MSCI India Midcap Index (USD)

The Sub-Fund uses the benchmark for performance comparison purposes.

The Sub-Fund is actively managed. This means the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning, and the Sub-Fund will not hold all, or indeed may not hold any, of the benchmark constituents. The deviation from the benchmark may be complete or significant.

### **Reference Currency**

The reference currency of the Sub-Fund is the US Dollar.

### **Classes of Shares**

The Minimum Initial Subscription and Minimum Holding Amounts for Class I Shares are of USD 500,000 or its equivalent in another currency or such other amount to be decided by the Directors. For avoidance of doubt, the Minimum Initial Subscription and Minimum Holding Amounts for the other Classes below are the ones provided under the paragraph headed "Eligibility requirement" of the general part of this Prospectus.

### **Investment Management Fee**

Class	Investment Management Fee (% p.a.)
I	Up to 2.00
A	Up to 2.00
B	Up to 2.00
C	Up to 1.00
J	Up to 1.00
S	Up to 0.85
X	Up to 1.00
P	Up to 1.50

The Management Fee is calculated and accrued daily and payable monthly in arrears.

### **Additional Information relating to the Sub-Fund**

The Fund has incorporated India Midcap (Mauritius) Ltd. (the "Midcap Subsidiary") on 19 April 2010, as a wholly-owned subsidiary. It may hold a substantial proportion of the assets of the Sub-Fund. The Midcap Subsidiary has received a tax residence certificate from the Director General of the Mauritius Revenue Authority, on which basis the Midcap Subsidiary should be entitled to appropriate relief under the India/Mauritius Double Tax Treaty. The Midcap Subsidiary is registered as an FPI and will make direct investments in India under the FPI regime (for additional information on the FPI regime, please refer to the section on "CERTAIN INDIAN REGULATORY CONSIDERATIONS" in the main part of the Prospectus). There can be no assurance that the treaty will continue to be in full force and effect during the existence of the Fund or that the Fund will continue to enjoy the benefit of the Tax Treaty.

The Midcap Subsidiary is a private company limited by Shares incorporated under the Mauritius Companies Act 2001. The Midcap Subsidiary shall issue redeemable ordinary Shares in registered form and the Fund is the sole shareholder in the Midcap Subsidiary. The Midcap Subsidiary holds a Category 1 Global Business Licence under the Financial Services Act 2007.

The directors of the Midcap Subsidiary are:

- Christopher Daniel, - Senior Executive Vice President, Compliance, Kotak Mahindra (UK) Limited, London
- Ruchit Puri, Chief Executive Officer, Kotak Mahindra (UK) Limited, Singapore
- Doonaye Sookye, Manager - Secretarial, IQ EQ Fund Services (Mauritius) Ltd, Mauritius
- Bhavish Banipersad - Senior Manager - Investor Services, IQ EQ Fund Services (Mauritius) Ltd, Mauritius

The directors of the Midcap Subsidiary are responsible for establishing the investment policy and restrictions of the Midcap Subsidiary and for monitoring its operations. The Midcap Subsidiary adheres to the investment policy and restrictions contained in this Prospectus which apply to the Sub-Fund and the Fund on a collective basis. The Midcap Subsidiary carries out exclusively activities relating to the Sub-Fund.

IQ EQ Fund Services (Mauritius) Ltd provides company secretarial and administrative services to the Midcap Subsidiary including maintenance of accounts, books and records. IQ EQ Fund Services (Mauritius) Ltd is incorporated in Mauritius and is licensed by the Financial Services Commission, Mauritius to provide inter alia company management services to offshore companies. Ernst & Young, Mauritius has been appointed auditors of the Midcap Subsidiary.

As a wholly-owned subsidiary of the Fund all assets and liabilities, income and expenses of the Midcap Subsidiary are consolidated in the statement of net assets and operations of the Fund. All investments held by the Midcap Subsidiary are disclosed in the accounts of the Fund.

All cash, securities and other assets of the Midcap Subsidiary are held by the Midcap Subsidiary with the Depository Bank on behalf of the Fund. However, for the avoidance of doubt, the Depository Bank will not act as depository of the Midcap Subsidiary.

Investors should note that assets held by the Sub-Fund through the Midcap Subsidiary at the date of this Prospectus will, at the discretion of the Investment Manager, be transferred over a period of time to the Sub-Fund directly. Once all assets are held directly in the name of the Sub-Fund, the Midcap Subsidiary shall be liquidated without such event being notified to Shareholders. In such case, the Prospectus will be updated to the next possible opportunity.

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

**Product name: Kotak Funds – India Midcap Fund**

**Legal entity identifier:549300P1V22EKK1UCL34**

**Environmental and/or social characteristics**

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

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

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

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



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

The Investment Manager integrates Environmental Social and Governance (“ESG”) factors in its investment management process and evaluates companies on the basis of these factors (as referenced in Table 1 below) before an investment decision is made.

The Sub-Fund will seek to avoid investment in certain industries and sectors, which are considered having high adverse impact on the environment, or operate in sectors which may be subject to social controversies. In addition to this, the Investment Manager also engages with the investee companies as part of its stewardship programme, its ESG specific engagements and along with other investors as part of Climate Action 100+ on matters such as ESOP policies, royalty payments, board composition, diversity, capital allocation, sustainability related reporting ahead of regulatory timelines, carbon reduction specific targets, divestment of non-core ESG sensitive businesses, product

safety, etc which automatically promotes positive integration of environmental and social criteria.

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- (iv) the production of tobacco products;
- (v) the ownership or operation of gambling-related activities or facilities; and
- (vi) production of adult entertainment materials.

The assessment of the level of involvement in each activity is currently based on percentage of revenue connected to a restricted activity.

Additionally, Stewardship lies at the heart of the ESG approach followed by the Investment Manager. Portfolio managers and research analysts collaborate in order to engage with companies which are part of the coverage universe. As active managers, the Investment Manager continuously monitor these companies to discuss various ESG related issues and risks. These could include strategy and performance risk management, board composition, remuneration, audit, climate change, labor issues, human rights and bribery and corruption, among others. More details about the same can be found online at <https://www.kotakamc.sg/ucits/sustainability-related-disclosures>.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

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

Some of the key factors relating to environment or social characteristics that are considered in the investment decision include (but not limited to) the following:

Table 1

Environment*	Social
Carbon emission and its environmental impact	Compliance with employment safety and protection
Energy consumption and focus on resource efficiency	Employee retention policies / attrition levels
Extreme weather events and its impact	Participation of women in the work force / diversity
Environmental pollution and its impact	Presence of unionized staff
	CSR (Corporate Social Responsibility) spends

The PAI indicators as set out below, may be used as a measure to evaluate some of the environment or social characteristics mentioned above.

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

N/A

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

How have the indicators for adverse impacts on sustainability factors been taken into account? N/A

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

N/A

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

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

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



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

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

- √ Yes, the key principal adverse impact indicators have been selected based on several factors such as scope, availability, applicability, probability of occurrence and potential irremediable character. Certain indicators may not be included due to lack of data or suboptimal quality of data. Please also refer to disclosure around the limitations of methodologies and data in the “Sustainability Related Disclosures” available on the Fund’s website.

Under the regulatory requirements of Sustainable Finance Disclosure Regulation (SFDR) for Article 8 Funds, there are 14 mandatory indicators covering various environment and social issues and another forty-six additional indicators. Initially the mandatory indicators and two additional elective PAI indicators would be identified and prioritized. As and when the availability of data improves, more indicators may be added to the list of those being monitored.



The PAIs being considered at present are summarized in the table below. The local regulatory reporting requirements applicable for the Sub-Fund will be complied with and transparency related to these indicators would be provided on a best effort basis.

<b>Principal Adverse Impact Indicators (Mandatory)</b>		
<b>Adverse Sustainability Indicator (Group)</b>	<b>Adverse Sustainability Indicator</b>	<b>Metric</b>
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions (from January 1st 2023)
		Total GHG emissions
	2. Carbon footprint	Carbon footprint
	3. GHG intensity of investee companies	GHG intensity of investee companies
Energy performance	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as percentage
Biodiversity	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average
<b>Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters</b>		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	13. Board gender diversity	Average ratio of female to male board members in investee companies
Human rights	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Principal Adverse Impact Indicators (Additional)		
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric
Emissions	Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Social and employee matters	Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers

*\*As Sovereign & Supranational and Real Estate Assets are not considered within our equities coverage, we will be reporting 14 instead of 18 mandatory indicators (which will be subject to changes) plus the above mentioned additional indicators*

Research notes seeks to cover the material ESG issues including principal adverse impact indicators relating to the investee company and the road map for the addressing the same. The ESG specific company reports are updated annually. However, controversies relating to a company or any change in disclosures are tracked regularly in order to identify its impact on the long term sustainability.

The investment team uses third party ESG service providers who provide ESG reports highlighting the key ESG indicators and risks for the investee companies. Upon receipt of the research report, the PAIs are prioritised based on the strategy of the relevant fund and the anticipated time horizon of the investment.

The companies are further evaluated by portfolio managers on sustainability factors and their ability to manage the risks associated with ESG compliant business practices (which is considered essential for sustainable growth), their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials.

No



## What investment strategy does this financial product follow?

The objective of the fund is to achieve long term capital appreciation by investing at least two thirds of its total assets (excluding cash) in equity and equity linked securities of mid-capitalization companies (as defined by the Investment Manager from time to time) registered in India or deriving a significant portion of their business from India. The Fund will have the flexibility to invest up to a third of its assets in equity and equity-linked instruments of large-capitalization companies. The Fund will invest at least 50% of its total assets in equity securities.

The Investment Manager integrates Environmental Social and Governance (“ESG”) factors in its investment management process and evaluates companies on the basis of these factors before an investment decision is made. The Fund will apply an ESG sector based screening for investments as explained below. In addition, the Investment Manager is systematically engaging with companies in which the Fund invests to promote ESG awareness. However, given the lack of long term disclosures levels and lower level of coverage by external agencies on mid and small cap stocks, the ESG analysis may be limited to some extent/ or may not be available for the entire portfolio. Therefore, ESG factors are not binding upon the Investment Manager in the allocation of the fund’s portfolio.

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

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

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in its opinion have exposure to, or ties with, certain sectors including but not limited to:

- (i) the production of certain types of controversial weapons such as cluster munitions;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction and distribution of certain types of fossil fuel (excluding distribution of gas) and/or the generation of power from them for onward sale;
- (iv) the production of tobacco products;
- (v) the ownership or operation of gambling-related activities or facilities; and
- (vi) production of adult entertainment materials.

The assessment of the level of involvement in each activity may be based on percentage of revenue or any other parameter connected to a restricted activity. Currently, the revenue threshold followed by the Investment Manager is 0% revenue share from activities listed in items (i), (ii) and (vi) above and 10% revenue share from activities listed in items (iii), (iv) and (v).

If the Investment Manager determines that an investee company no longer meets its ESG criteria (such as the development of controversial behaviour, an acquisition, a change of business mix or due to new information), the Investment Manager will first seek to remediate through engagement with the investee company. Where the investment is deemed inappropriate in respect of the Investment Manager’s ESG criteria and the investment objective and policy of the relevant Sub-Fund, a commercially reasonable effort will be made to divest promptly. If divestment is not practical or would be inconsistent with sound financial management, the Investment Manager will develop a reasonable plan for divestment. There is no blanket requirement for forced disposals, and there may be occasions where the exposure

to undesirable investments or restricted activities (in respect of the ESG criteria) may take a period of time to be eliminated.

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

Not Applicable

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

To understand the good governance practices of the investee companies, some of the parameters assessed include:

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

Parameters assessed	Details
Shareholder structure	Concentration of shareholding, Promoter holding, Private equity holding and ownership etc.
Board composition: Size and structure / tenure etc.; Independence of the Board; remuneration	Size and structure of the Board and its committees, Background and expertise of Directors, No. of independent directors, No. of women directors, remuneration policies for all Board members etc.
Integrity and ethical behavior	Integrity in business decisions and reporting by the management, Transparency: About a company's policies and practices; effective and independent audit function etc.
Capital allocation policies	Capital allocation policies followed in the past and whether it is fair to minority shareholders etc.
Regulatory compliance	Compliance with all regulatory norms at the Board and the company level; transparent and consistent reporting practices, risk management practices and oversight etc.

Note: the list is representative of the key factors tracked and not necessarily exhaustive



**What is the asset allocation planned for this financial product?**

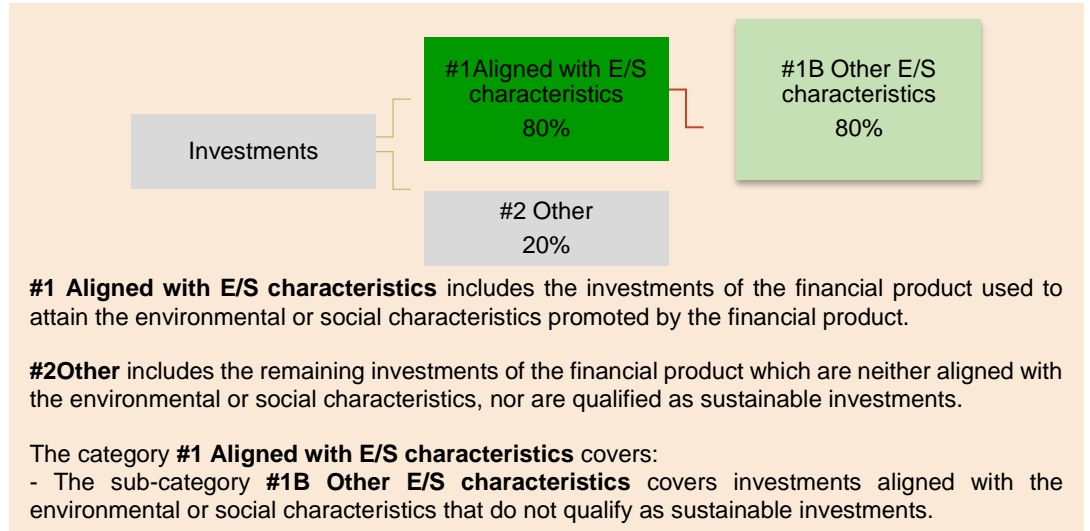
Generally, around 80% of the Fund is intended to be invested in alignment with E/S characteristics as each stock would be subject to the sector check and revenue thresholds. However, the Fund may invest some portion (generally not exceeding 20%) in other instruments.

The Fund does not intend to make sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund invests in financial derivative instruments for the exclusive purposes of hedging and efficient portfolio management. While identifying single stock derivatives for the purpose of investment, the same level of due diligence shall be applied in relation to ESG metrics, as in the case of cash based transactions.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund does not commit to make sustainable investments and the percentage of Taxonomy alignment of the Sub-Fund's portfolio is deemed to constitute 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?**

Yes

In fossil gas     In nuclear energy

No

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



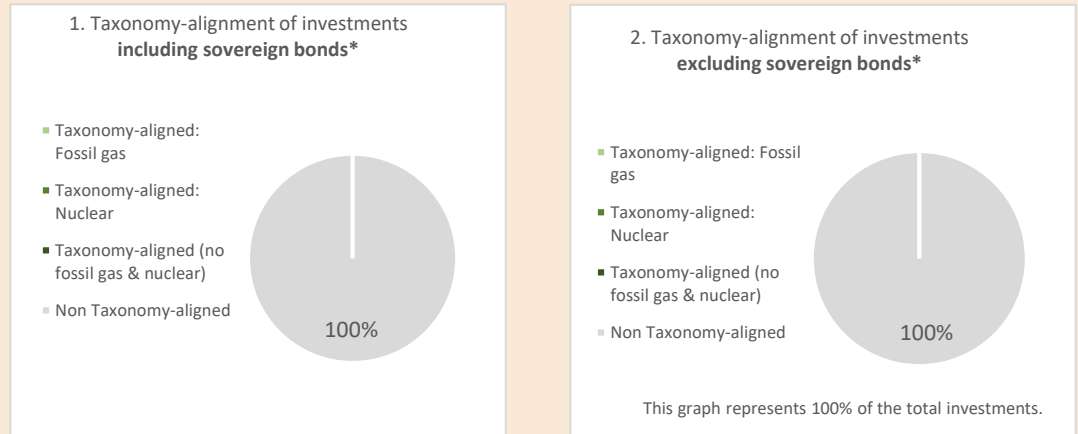
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

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

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



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

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

As the Sub-Fund does not commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities is set at 0%.



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

N/A



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

N/A



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

The other instruments include index derivatives, ancillary liquid assets (including cash) and liquid assets. While index derivatives are generally used to hedge market risks, ancillary liquid assets and liquid assets are generally used for treasury purposes.

As “Others” include index derivatives, ancillary liquid assets (including cash) and liquid assets, there are no minimum environmental or social safeguards for these investments.



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

N/A

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

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

N/A

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

N/A

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

N/A

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

N/A



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

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

More product specific information can be found online at [https://www.kotakamc.sg/ucits/sustainability\\_disclosures](https://www.kotakamc.sg/ucits/sustainability_disclosures).

### ANNEX 3: KOTAK FUNDS – INDIA FIXED INCOME FUND

#### Investment Objective

The objective of the Sub-Fund is to generate total returns by primarily investing in debt securities issued by the central or state governments of India or issued by companies of Indian origin or deriving a significant portion of their business in India.

The Sub-Fund will principally gain exposure to the following instruments:

- a) Debt securities issued by the Central and State Governments in India (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b) Debt securities issued by Indian governmental agencies and statutory bodies, which may or may not carry a Central/ State Government guarantee in India.
- c) Corporate debt securities denominated in INR and issued by companies of Indian origin or deriving a significant portion of their business from India (including but not limited to Commercial Paper (CPs), Non-Convertible Debentures (NCD's) and bonds including zero coupon bonds).
- d) Corporate debt securities denominated in currencies other than INR and issued by companies of Indian origin or deriving a significant portion of their business from India.
- e) Mutual funds domiciled in India and regulated by Securities and Exchange Board of India.

The Sub-Fund aims to achieve its investment objective by principally investing, directly or indirectly, in debt securities issued by the Central Government of India, State Governments of India, Indian governmental agencies, or by companies of Indian origin or deriving a significant portion of their business in India. The Sub-Fund will gain exposure to INR denominated debt securities and/or denominated in currencies other than in INR.

The Sub-Fund may invest more than 35% of its net asset value in debt securities issued and/or guaranteed by the Indian government in accordance with section III c) of the Investment Restrictions. If such limit of 35% is exceeded, section III f) of the Investment Restrictions will apply.

The Sub-Fund may on an ancillary basis, invest directly or indirectly in sovereign debt securities issued by developed world countries (including US treasury bills and bonds) denominated in any currency.

The Sub-Funds will not invest more than 10% of its assets in other UCIs.

The Investment Manager may convert all or part of non INR exposure of the portfolio of the Sub-Fund to INR through the use of financial derivative instruments. The Sub-Fund may also use financial derivative instruments for the purposes of hedging risks (such as currency and/or interest rates) as well as for efficient portfolio management purposes.

Where the Fund invests in INR denominated debt securities of issuers of Indian origin, at least 85% of such investments will, under normal circumstances, be in instruments having a domestic rating of at least AA or A1+ or equivalent by any one of the domestic rating agencies such as CRISIL / Fitch / CARE /ICRA.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also hold ancillary liquid assets for treasury purposes.

Subject to the limits set out in section "Investment Restrictions" of the Prospectus, the Sub-Fund may also invest in liquid assets like bank deposits, money market instruments and money market funds in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions. For defensive purposes, the Sub-Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

Notwithstanding the provisions of the main part of the Prospectus, the Sub-Fund will not enter into securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/012, namely total return swaps, repurchase and reverse repurchase agreements and securities lending transactions.

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

**Profile of the typical Investor**

The Sub-Fund may be suitable for investors seeking to gain exposure to Indian fixed income market and shall be able to assume the volatility in returns typical of such investments. Investors should consider the Sub-Fund as a medium to long-term investment with a commitment of 2 to 5 years.

**Active Management**

The Sub-Fund is actively managed. This means the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Investment Manager is not in any way constrained by a benchmark in its portfolio positioning.

**Reference Currency**

The reference currency of the Sub-Fund is the US Dollar.

**Investment Management Fee**

Class	Investment Management Fee (% p.a.)
I	Up to 0.75
A	Up to 1.20
C	Up to 0.75
P	Up to 1.00

The Management Fee is calculated and accrued daily and payable monthly in arrears.