

VISA 2019/157624-8012-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2019-09-29

Commission de Surveillance du Secteur Financier



## PROSPECTUS

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### **LEGAL & GENERAL SICAV**

*Société d'Investissement à Capital Variable*  
established in Luxembourg

**Legal & General Investment Management Limited**

(INVESTMENT MANAGER)

**LGIM Managers (Europe) Limited**

(MANAGEMENT COMPANY)

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**September 2019**

## IMPORTANT INFORMATION

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Directors, whose names appear below, accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly.

Legal & General SICAV (the “**Company**” or the “**SICAV**”), an investment company organised under the laws of Luxembourg as a *société d’investissement à capital variable*, is governed by Part I of the UCI Law and qualifies as a UCITS.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the Company or the Management Company, and, if given or made, such information or representations must not be relied on as having been made by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the key investor information document (the “**KIID**”). The latest audited annual report and accounts and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Administrator that this is the most recently published Prospectus.

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

Complaints concerning the operation or marketing of the Company may be referred to the Administrator. Complaints should be addressed to the attention of the Compliance Officer at Northern Trust Global Services SE, 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg or by telephone to +352 27 62 22 1.

### Restrictions on Distribution and Sale of Shares

**Luxembourg** - The Company is registered pursuant to Part I of the UCI Law. However, such registration does not represent a guarantee from any Luxembourg authority on the adequacy or accuracy of the content of this Prospectus or the assets held in the various Funds. Any representations to the contrary are unauthorised and unlawful.

The Company may make applications to register and distribute its Shares in jurisdictions outside Luxembourg and may be required to appoint payment agents, representatives, distributors or other agents in the relevant jurisdictions.

**European Union** - The Company is a UCITS for the purposes of the UCITS Directive and the Directors propose to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU. As at the date of this Prospectus, the Directors expect to apply to register and distribute the Shares of each Fund in Belgium, Denmark, Finland, France, Germany, the Netherlands, the Republic of Ireland, Sweden and the United Kingdom.

**Non-European Union** - As at the date of this Prospectus, the Directors expect to apply to register and distribute the Shares of each Fund in Norway, Switzerland and Hong Kong and may apply to register and distribute the Shares of each Fund in other jurisdictions.

**United States of America** – The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), and have not been and will not be registered under any states securities laws. The Shares therefore cannot be offered, sold, transferred or pledged directly or indirectly in the United States of America or its territories or possessions or areas subject to its jurisdiction, or for the benefit of, any US Person in the absence of such registration or the availability of an exemption therefrom. For this purpose, a US Person has the meaning set out in the section of this Prospectus entitled “Definitions.” Neither the Funds nor the Company have been or will be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to one or more applicable exemptions or exclusions, nor under any other US federal laws.

The Management Company is not registered with the SEC as an investment adviser pursuant to the United States Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), nor is the Management Company currently registered with the U.S. Commodity Futures Trading Commission (the “**CFTC**”) as a “commodity trading advisor” or as a “commodity pool operator” as those terms are defined under the United States Commodity Exchange Act (the “**CEA**”) in reliance on one or more exemption(s) applicable to the L&G Global High Yield Bond Fund under the CFTC rules. As a result, unlike a registered commodity pool operator, the Management Company is not currently required to deliver a disclosure document (containing certain CFTC prescribed disclosure) and a certain annual report to investors.

PURSUANT TO AN EXEMPTION FROM THE U.S. COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS (AS DEFINED UNDER UNITED STATES REGULATIONS) WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THE L&G GLOBAL HIGH YIELD BOND FUND IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE U.S. COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THE L&G GLOBAL HIGH YIELD BOND FUND.

The Articles give powers to the Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered and, in particular, by any US Person. The Company may compulsorily redeem all Shares held by any such person.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis

of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, switch, redemption or disposal of the Shares of the Company.

Further copies of this Prospectus and the latest KIID may be obtained from the Administrator. A copy of the Prospectus and the latest KIID will also be available from [www.lgim.com](http://www.lgim.com).

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

### Generally

This Prospectus, any Supplements and the KIID may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus, Supplements and the KIID. To the extent that there is any inconsistency between the English language Prospectus/ Supplement/ KIID and the Prospectus/ Supplement/ KIID in another language, the English language Prospectus/ Supplement/ KIID will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus or a KIID in a language other than English, the language of the Prospectus/ Supplement/ KIID on which such action is based shall prevail.

Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

**The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund.**

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**LEGAL & GENERAL SICAV**

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**Depositary and Paying Agent**  
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**Auditor**  
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## DEFINITIONS

“1933 Act”	the United States Securities Act of 1933, as amended
“Accumulation Shares”	Shares in respect of which income is accumulated and added to the capital property of a Fund
“Administration Agreement”	the registrar and transfer agency, domiciliary and administration agency agreement pursuant to which the Administrator is appointed to provide services with respect to the Company
“Administrator”	Northern Trust Global Services SE
“Articles”	articles of incorporation of the Company
“Auditor”	KPMG Luxembourg, <i>Société coopérative</i>
“Business Day”	in relation to a Fund means, unless otherwise specified in the relevant Supplement, any day when the banks are fully open in Luxembourg and/or such other place or places and such other day or days as the Directors may determine
“Central Bank of Ireland’s UCITS Regulations”	the Central Bank Supervision and Enforcement Act 2013 (S 48 (1)) (Undertaking for Collective Investment in Transferable Securities) Regulations 2015 as may be amended, consolidated or substituted from time to time as well as any related guidance issued by the Central Bank of Ireland from time to time
“China A Share”	a share of a PRC-incorporated company denominated in RMB and listed and traded on the Shanghai Stock Exchange (“ <b>SSE</b> ”) and the Shenzhen Stock Exchange (“ <b>SZSE</b> ”)
“China H Share”	a share of a PRC-incorporated company denominated in HKD or another currency and listed and traded on the Hong Kong Stock Exchange (“ <b>SEHK</b> ”)
“Class”	a class of Shares in a particular Fund
“Company”	Legal & General SICAV
“CSSF”	the Luxembourg authority, currently the <i>Commission de Surveillance du Secteur Financier</i> , or its successor in charge of the supervision of undertakings for collective investment in Luxembourg
“CSSF Circular 11/512”	CSSF circular relating to the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications; further clarifications from the CSSF on risk management rules; and the definition of the content and format of the risk management process to be communicated to the CSSF
“Depositary”	Northern Trust Global Services SE



“Depository Agreement”	the depository agreement pursuant to which the Depository is appointed to provide depository and paying agency services with respect to the Company
“Dealing Day”	such Business Day or Business Days as shall be specified in the relevant Supplement for that Fund or any such other day or days as the Directors may determine
“Dealing Request Deadline”	such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine provided always that the Dealing Request Deadline is no later than the point as at which the Net Asset Value is determined for the relevant Dealing Day
“Developing/Emerging Markets”	the markets comprised in the JP Morgan EMBI-Global Diversified 3-5 year or the JP Morgan EMBI-Global Diversified indices
“Directors”	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
“Distribution Shares”	Shares in respect of which income is distributed periodically to Shareholders
“Distribution Agreement”	the distribution agreement pursuant to which Legal & General Investment Management Limited is appointed to provide distribution services with respect to the Company on a non-exclusive basis
“ESMA”	the European Securities and Markets Authority or its successor authority
“ESMA Guidelines 2014/937”	the guidelines on ETFs and other UCITS issues published on 1 August 2014 by ESMA (ESMA/2014/937) as implemented in Luxembourg and entered into force on 1 October 2014 as may be amended, supplemented and/or implemented from time to time
“EU”	the European Union
“FATCA”	the provisions of the US HIRE Act generally referred to as the Foreign Account Tax Compliance Act
“FCA”	the Financial Conduct Authority or its successor authority in the United Kingdom
“FCA Rules”	the rules of the FCA, as may be amended from time to time
“Fund”	a sub-fund of the Company representing a segregated pool of assets established in accordance with Article 181 of the UCI Law, invested in accordance with the investment objective and investment policies applicable to such sub-fund and as described in the relevant Supplement
“Group of Companies”	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and

	according to recognised international accounting rules, as amended
“Ineligible Applicant”	any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might:
	a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or
	b) require the Company, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or
	c) cause the Company, its Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company, its Shareholders, the Management Company or the Investment Manager, as appropriate, might not otherwise have incurred or suffered
“Initial Offer Period”	the period set by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement
“Initial Offer Price”	the initial price payable for a Share as specified in the relevant Supplement for each Fund
“Institutional Investor”	as defined in the UCI Law
“Investment Management Agreement”	the investment management agreement pursuant to which the Investment Manager is appointed to provide discretionary investment management services to the Company and the Funds
“Investment Manager”	Legal & General Investment Management Limited, or as otherwise stated in the relevant Supplement
“IFRS”	International Financial Reporting Standards
“IRS”	the US Internal Revenue Service
“Legal & General Group”	Legal & General Group Plc and its direct and indirect subsidiaries
“Legal & General Investment Management”	Legal & General Investment Management (Holdings) Limited and its direct and indirect subsidiaries
“Luxembourg”	the Grand Duchy of Luxembourg
“Luxembourg GAAP”	Luxembourg Generally Accepted Accounting Principles

“Management Company”	LGIM Managers (Europe) Limited
“Management Agreement”	the management agreement pursuant to which the Management Company is appointed by the Company as the management company of the Company
“Member State”	a member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union
“MiFID”	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and any amendments
“Minimum Holding”	where applicable, the minimum holding for each class of Shares as specified in the relevant Supplement for each Fund
“Minimum Additional Subscription”	the minimum additional investment for each class of Shares as specified in the relevant Supplement for each Fund
“Minimum Initial Subscription”	the minimum investment for each class of Shares as specified in the relevant Supplement for each Fund
“Money Market Instruments”	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time
“Net Asset Value”	the net asset value of the Company, a Fund or a Class (as the context may require) as calculated in accordance with the Articles
“Net Asset Value per Share”	the Net Asset Value in respect of any Fund or Class divided by the number of Shares of the relevant Fund or Class in issue at the relevant time
“Non-Member State”	any state which is not a Member State
“OECD”	the Organisation for Economic Co-operation and Development
“PRC”	People’s Republic of China
“Performance Fee”	where applicable, the performance fee which the Management Company may be entitled to receive from the Company in respect of a Fund, as described in the relevant appendix to the Prospectus and Supplement
“Prospectus”	this Prospectus, as may be amended or supplemented from time to time
“Redemption Price”	the price per Share at which Shares are redeemed or calculated in the manner described in section 9.2. - “Redemption Price”

“Reference Currency”	the base currency of the Company, the relevant Class or the relevant Fund, as the case may be
“Regulated Market”	a market in the meaning of MiFID II, namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II
“Renminbi” or “RMB”	the currency of the PRC
“Retail Investor”	as defined in the UCI Law
“Share” or “Shares”	shares of any Class in the Company as the context requires
“Share Class” or “Class of Shares” or “Class”	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund
“Shareholder”	a holder of Shares in the Company
“Stock Connect”	the mutual market access programme through which non-PRC investors can deal in selected securities listed on a PRC stock exchange, currently the SSE or the SZSE, through a platform organized by the SEHK and a broker and a clearing house based in Hong Kong and PRC domestic investors can deal in selected securities listed on the SEHK through a platform put in place by a PRC stock exchange, currently the SSE or the SZSE
“Subscription Price”	the price per Share at which Shares may be issued after the close of the Initial Offer Period calculated in the manner described in section 8.2. - “Subsequent Subscriptions”
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes
“SEC”	the US Securities and Exchange Commission
“Transferable Securities”	(i) shares and other securities equivalent to shares (“shares”); (ii) bonds and other debt instruments (“debt securities”); and (iii) any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus
“UCI(s)”	undertaking(s) for collective investment
“UCI Law”	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time

“UCITS”	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
“UCITS Directive”	the Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time
“United States”, “US” or “USA”	means the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
“US HIRE Act”	the United States Hiring Incentives to Restore Employment Act
“US Person”	means, in general, (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (iii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust or (iv) an estate which is subject to US tax on its worldwide income from all sources. In addition, the term US Person includes any individual or entity that would be a US Person under Regulation S of the 1933 Act or Rule 4.7 under the United States Commodity Exchange Act
“Valuation Point”	the point after the Dealing Request Deadline as of which the Administrator determines the Net Asset Value per Share of each Fund, as may be determined by the Directors

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to “Euro”, “EUR” and “€” are to the unit of the European single currency, all references to “US Dollars”, “USD” and “US\$” are to the currency of the United States, all references to “CHF” and “Swiss Franc” are to the currency of Switzerland, all references to “Sterling”, “GBP” and “£” are to the currency of the United Kingdom, all references to “AUD” are to the currency of Australia, all references to “CAD” are to the currency of Canada, all references to “DKK” are to the currency of Denmark, all references to “HKD” are to the currency of Hong Kong, all references to “JPK” are to the currency of Japan, all references to “NOK” are to the currency of Norway, all references to “SEK” are to the currency of Sweden and all references to “SGD” and are to the currency of Singapore.

## 1. THE COMPANY AND THE FUNDS

The Company is an open-ended investment company incorporated under the laws of Luxembourg as a *société d'investissement à capital variable* (“SICAV”) in accordance with the provisions of Part I of the law of 17 December 2010 governing undertakings for collective investment, as may be amended from time to time. The Company was incorporated for an unlimited period on 30 September 2013 under the name of Legal & General SICAV and has its registered office in Luxembourg. Branches, subsidiaries or other offices may be established either in Luxembourg or abroad (but not, in any event, in the United States, its territories or possessions) by a decision of the Directors. Insofar as is legally possible, the Directors may also decide to transfer the Company’s registered office to any other place in Luxembourg. The Articles were first published in the *Mémorial C, Recueil Spécial des Sociétés et Associations* of Luxembourg on 19 October 2013 and the Company is registered with the Luxembourg Trade and Companies’ Register under the number B 180761. The Articles were last amended by notarial deed on 20 March 2017, and published in the Luxembourg Trade and Companies Register, under number 084, on 7 April 2017.

The Company has appointed LGIM Managers (Europe) Limited as its management company.

The Company is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Funds.

At all times the Company’s capital will be equal to the Net Asset Value of the Company and will not fall below the minimum capital required by Luxembourg law.

The Directors may establish additional Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the CSSF.

The assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Fund and as set out in the relevant Supplement. Pursuant to Article 181 of the UCI Law, each Fund corresponds to a distinct part of the assets and liabilities of the Company, i.e. the assets of a Fund are exclusively available to satisfy the rights of investors in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Fund.

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund’s assets. In the event of a particular Fund’s liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

The Reference Currency of each Fund is set out in the relevant Supplement.

Shares of a Fund may be listed on the Luxembourg Stock Exchange or on another investment exchange. The Directors will decide whether Shares of a particular Fund are to be listed. The relevant Supplement will specify if the Shares of a particular Fund are listed.

### 1.1. The Funds and their Investment Objectives and Policies

Details of the investment objective, investment policies and certain terms relating to an investment in the Funds will be set out in the relevant Supplement.

### 1.2. Profile of a Typical Investor

The profile of a typical investor will be set out in the relevant Supplement.

An investor’s choice of Fund should be determined by the investor’s attitude to risk, preference for income or growth, intended investment time horizon and in the context of the investor’s overall portfolio. Investors should seek professional advice before making investment decisions.

### 1.3. Classes of Shares

Within a Fund, the board of Directors may decide to issue one or more Classes of Shares. Each Class of Shares, whilst participating in the assets of the same Fund, has a different fee structure and may

- (i) be targeted to different types of investors,
- (ii) not be available in all jurisdictions where the Shares are sold,
- (iii) be sold through different distribution channels,
- (iv) have different distribution policies,
- (v) be quoted in a pricing currency different to the Reference Currency of the Fund in which it is issued; and
- (vi) aim to offer protection by hedging against certain currency fluctuations.

#### Availability

Information regarding (i) the minimum initial subscription, holding requirements and transaction size within the relevant Classes, (ii) currencies, is available in the relevant Supplement.

Investors should note however that some Funds and/or Classes may not be available to all investors.

Each Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect to its criteria for subscription (including eligibility requirements), redemption, minimum holding, fee structure, currency, hedging policy and distribution policy. A separate Net Asset Value per Share will be calculated for each Class. The details of the Classes of Shares available for each Fund are described in the relevant Supplement. Further Classes may be created by the Directors in accordance with the requirements of the CSSF.

Currently, shares including the designation “Class C”, “Class I”, “Class P”, “Class R”, “Class X”, Class “Y” or “Class Z” are available for issue, as is further indicated in each Supplement. Each Share Class, where available, may also have different distribution policies.

Each Share Class, where available, may be offered in the Reference Currency of the relevant Fund, or may be denominated in any other currency, and such currency denomination will be represented as a suffix to the Share Class name. Each Share Class may be currency hedged or unhedged, as will be identified by a suffix to the Share Class name.

A complete list of available Classes may be obtained from the registered office of the Company, the Administrator or the Management Company or on the following website: [www.lgim.com](http://www.lgim.com).

The limits for minimum initial and additional subscriptions for any Fund or Class of Shares may be waived or reduced at the discretion of the Directors.

Unless otherwise stated in the relevant Supplement title to registered shares is evidenced by entries in the Company’s share register. Shareholders will receive confirmation notes of their shareholdings; and in principle, registered share certificates are not issued.

#### Share Class Currency Hedging

The Company may offer hedged class Shares of a Fund (the “Hedged Classes”).

Information as to the availability of Hedged Classes of any of the Funds will be provided on the relevant country specific website, and in the present “Share Class Currency Hedging” section.

Hedging transactions may be entered into in order to hedge the relevant Fund’s exposure to foreign exchange risk.

Currency hedging at Share Class level, where undertaken, will aim to hedge the currency exposure of any Share Class which is denominated in a currency other than the Reference Currency of the relevant Fund, to reduce the Share Class’

exposure to the fluctuation between the currency in which such Share Class is denominated and the Reference Currency.

Where a Share Class is denominated in the same currency as the Reference Currency of the relevant Fund, currency hedging will aim to reduce the Share Class' exposure to the underlying assets of the Fund which are not denominated in the Reference Currency. Similarly, where a Share Class is denominated in a currency other than the Reference Currency of the relevant Fund, currency hedging can also be used to reduce the Share Class' exposure to the underlying assets of the Fund which are not denominated in the currency of the Share Class. In order to hedge such exposure, the Fund will enter into forward foreign exchange transactions or any other method. The costs and benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. Hedged Shares classes will be identified by a 'Hedged' suffix to the Share Class name, and, where applicable, the relevant non-Reference Currency (e.g. EUR, GBP, USD, HKD, etc.)

Where a non-Reference Currency Share Class is unhedged, the exchange rate fluctuation risks between the denominated currency of the Share Class and the Reference Currency of the Fund will not be hedged.

Over-hedged or under-hedged positions may arise due to factors outside of the control of the Fund. Over-hedged positions shall not exceed 105% of the Net Asset Value of the Share Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Share Class which is to be hedged against currency risk.

### **Distribution Policy**

Both Accumulation Shares and Distribution Shares may be issued.

The part of the year's net income corresponding to Accumulation Shares will not be paid to Shareholders and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares.

The Directors will exercise their discretion to determine whether or not to declare a dividend out of any income attributable to a Class of Distribution Shares and available for distribution. Payments will be made in the Reference Currency of the relevant Class. Distributions remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund.

In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Company would fall below the equivalent of EUR 1,250,000.

### **Eligibility Requirements**

**Class C** Shares will be available for subscription only by Institutional Investors and only with approval from the Management Company or an affiliate of the Management Company, or the Investment Manager.

**Class I** Shares will be available for subscription only by Institutional Investors.

**Class K** Shares will be available for subscription only by Institutional Investors, including portfolio managers acting on behalf of their clients, who are clients of certain distributors having a specific arrangement with the Management Company.

**Class P** Shares will be available for subscription by Retail or Institutional Investors only with approval from the Management Company or an affiliate of the Management Company, or the Investment Manager.

**Class R** Shares will be available for subscription only by:

- providers of independent advisory services or discretionary investment management, distributors, fund platforms, and other intermediaries who operate fee based arrangements with their clients and do not receive any fee rebates from the Management Company;
- eligible counterparties (within the meaning of article 30 of MiFID), investing for their own account;
- other collective investment schemes; and
- other investors with approval from the Management Company or an affiliate of the Management Company, or the Investment Manager.

**Class X** Shares will not be issued unless the prospective investor has entered into an agreement with the Management Company or an affiliate of the Management Company.



**Class Y** and **Class Z** Shares will only be issued if the prospective investor has entered into an agreement with the Management Company or an affiliate of the Management Company and will be available for subscription only by Institutional Investors.

Prospective investors for Class X Shares and Class Z Shares will be required to enter into an agreement with the Management Company or an affiliate of the Management Company.

## **Listing of Shares**

The Directors may decide to submit an application for the admission to the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange of any Share Class.

Although the listed Shares are required to be freely negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon may not be cancelled by the Company), the restrictions on ownership, as set out in the Prospectus and the Articles will nevertheless apply to any investor to whom listed Shares are transferred on the Luxembourg Stock Exchange. The holding at any time of any listed Shares by an investor who does not satisfy eligibility requirements may result in the compulsory redemption of such listed Shares by the Company.

### **1.4. Client Categorisation**

Unless you are advised in writing to the contrary, all investors in the Company will be categorised by the Management Company as “Retail Clients” in the meaning of MiFID II, i.e. clients who are not a Professional Client (as defined below).

This categorisation provides the highest level of investor protection compared to other categories such as a “Professional Client” or an “Eligible Counterparty” in the meaning of MiFID II.

These latter categories might allow the Management Company to refrain from issuing contract notes or to reduce the frequency with which it issues periodic statements.

You are entitled to request re-categorisation as a “Professional Client” or an “Eligible Counterparty” if you believe that you fall into one of those categories, however such re-categorisation will not affect the way in which your investment is currently administered by the Management Company.

### **1.5. Investment Restrictions**

Investment of the assets of each Fund must comply with the UCI Law. The investment and borrowing restrictions applying to the Company and each Fund are as set out in Appendix 1. The Directors may impose further restrictions in respect of any Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in over-the-counter derivative contracts, investments will be made on Regulated Markets. Each Fund may also hold ancillary liquid assets.

### **1.6. Reports and Financial Statements**

The Company's accounting period will end on 31 December in each year. The first accounting period of the Company started upon incorporation of the Company and ended on 31 December 2013.

The Company will prepare an annual report and audited annual accounts within four months of the financial period to which they relate i.e. by 30 April of each year. Copies of the unaudited half yearly reports (made up to 30 June in each year) will also be prepared within two months of the end of the half year period to which they relate i.e. by 31 August of each year. The first annual report was published in relation to the financial period ending 31 December 2013.

Copies of the annual audited financial statements and half yearly reports will be circulated to Shareholders and prospective investors upon request.

## **1.7. Publication of Net Asset Value per Share**

The Net Asset Value per Share may be obtained free of charge from, and will be available at the offices of, the Administrator during business hours in Luxembourg. In addition, the Net Asset Value per Share is currently published at [www.lgim.com](http://www.lgim.com).

## **1.8. Prevention of Late Trading and Market Timing**

Late trading is to be understood as the acceptance of a subscription, switch or redemption order for shares in a fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day. However, the acceptance of an order will not be considered as a late trade where a distributor, or any sales agent to which it may delegate, submits the relevant subscription, switch or redemption request to the Administrator after the Dealing Request Deadline provided that such subscription, switch or redemption request has been received by the distributor from the relevant investor in advance of the relevant Dealing Request Deadline. Furthermore, the Company may accept, under exceptional circumstances, corrections to subscription, switch or redemption requests where such subscription, switch or redemption request has been received by a distributor from the relevant investor in advance of the relevant Dealing Request Deadline, and provided that the correction occurs before the relevant Valuation Point.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Dealing Request Deadline is dealt with at a Subscription Price or Redemption Price based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, switches and redemptions of Shares shall be dealt with at the next Net Asset Value determined following the Dealing Request Deadline. The Dealing Request Deadline is set out in the Supplement for each Fund.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription or switch of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice. Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by an investor in the event that the Company considers that such investor is systematically redeeming or switching shares within a short time period.

## **1.9. Controversial Weapons Policy**

The Luxembourg law of 4 June 2009 transposing the Oslo Convention on Cluster Munitions prohibits to knowingly finance cluster munitions and explosive sub-munitions. In accordance with such law, the Company has adopted a policy designed to comply with such law. This policy also complies with the Belgian law of 8 June 2006, the Weapons Act, which prohibits the financing of a company subject to Belgian or foreign law involved in anti-personnel mines, cluster munitions and/or inert ammunition, armour with depleted uranium or any other industrial uranium, with a view to the distribution of it. The Company's exclusion lists have been developed in conjunction with a third-party service provider. The list of excluded companies compiles publicly-listed and private companies identified by the third-party provider, on the basis of their interpretation of the Luxembourg and Belgian national legislation text.

## 2. DIRECTORS

The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors are further responsible for the implementation of each Fund's investment objective and policies as well as for oversight of the administration and operation of each Fund.

The Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders.

### 2.1. Directors of the Company

**Michèle Eisenhuth** is a Partner in the Investment Management practice of Arendt & Medernach S.A.. She specialises in investment fund law, advising domestic and international clients on the corporate, regulatory and compliance aspects of the structuring, operation and reorganisation of investment funds and their management entities. She has been a member of the Luxembourg Bar since 1995. She sits on the board of directors of several funds and management companies launched by international asset management groups. She also sits on the board of directors of the Association of the Luxembourg Fund Industry (ALFI) since June 2017, and on the board of directors of the Institut Luxembourgeois des Administrateurs (ILA). Michèle is a chairman and active member of several committees set-up by the ALFI, as well as ad hoc committees set up by the Commission de Surveillance du Secteur Financier (CSSF). She is co-chairman of the Investment Funds Committee of the Lex Mundi independent law firms network. She is also a member of the European Banking Federation, more particularly involved in the Investment Funds Group. Michèle is a regular speaker at ALFI, IBA, Lex Mundi and other conferences in Luxembourg or abroad, and a lecturer at the Luxembourg Institute for Training in Banking. Michèle holds a Master's degree in law from the Université de Liège (Belgium).

**Eve Finn** (Irish) is the Managing Director of the Management Company, appointed in October 2017, having previously been in the role of Investment Manager's Head of Solutions since September 2015. Eve is based in Dublin. In her Head of Solutions role, Mrs. Finn has been responsible for the design and management of objective driven investment solutions which bring together the best of the Legal & General Investment Management Group's investment capabilities to meet our clients' needs. Previously, Mrs. Finn was Head of LDI Portfolio Construction and had overall responsibility for the structuring and portfolio management of the Legal & General Investment Management Group's UK and European LDI portfolios. Mrs. Finn joined the Legal & General Investment Management Group in 2009 and is a Trustee of both the Legal and General Pension Scheme and the Group Pension Fund. Prior to joining the Legal & General Investment Management Group, Mrs. Finn worked in the Global Pensions Strategy Group at Deutsche Bank, developing liability management solutions and multi-asset strategies for a variety of global pension schemes. Mrs. Finn began her career as an investment consultant at Watson Wyatt. Mrs. Finn has a first class honours degree in financial and actuarial mathematics from Dublin City University and is a fellow of the Institute of Actuaries.

**Henry Kelly** is an independent board member of several investment funds (UCITS and non-UCITS) and investment management companies domiciled in Luxembourg and abroad. He is the Managing Director of the Luxembourg-based consultancy firm that he founded in 1999, KellyConsult Sàrl, which is a licensed business advisory company ("société de conseil économique") that provides services to the investment fund sector in Luxembourg and internationally. He has been the chairman of the ALFI Fund Governance Forum since its establishment in 2011 and is a founding member of the Investment Funds Committee of the Luxembourg Institute of Directors (the "ILA"). He was a member of the ALFI Executive Committee for ten years (1995 – 2005) and chairman of the ALFI New Products Committee from its creation in 2003 until 2005. Mr. Kelly is a member of the European Fund and Asset Management Association (EFAMA) Corporate Governance Working Group and is a regular speaker at conferences on fund industry matters.

From 1993 to 1999 he was a Managing Director of Flemings Luxembourg (now JP Morgan Asset Management). Prior to joining Flemings in 1993, Henry Kelly was employed for 5 years in the capital markets division of BNP Paribas following 7 years' experience with Price Waterhouse in Paris, Frankfurt and New York. He has a Master's degree in Modern Languages from Cambridge University and is a Member of the Institute of Chartered Accountants. He is an ILA Certified Director and holder of the INSEAD Certificate in Corporate Governance.

**Yvon Lauret** has spent more than 25 years in the banking and financial industry in various positions linked to M&A activities, the investment fund industry and business consulting. Beyond his extensive knowledge of the fund industry, he has also been involved in strategic projects and has contributed strongly to the launch and the development of new business units, within multi-cultural, multi-product and global organisations. In his most recent position with JPMorgan Bank Luxembourg, he was an Executive Director and also a member of the Senior Management Team. He left

JPMorgan Bank to set up Adeis S.A., a Luxembourg boutique specialising in topics linked to the investment fund industry. Mr. Lauret is also a CSSF approved independent director of various other Luxembourg regulated and unregulated investment vehicles. Yvon is a graduate of INSEAD (Advanced Management Program) and he holds a Masters in Economics from the University of Nancy II, France. Yvon is also a sworn expert in financial matters & risk management with Tribunal d'Arrondissement Luxembourg.

**Adel Malcolm** is the Head of Global Analytics at Legal & General Investment Management where she is responsible for investment analytics capabilities within the Legal & General Investment Management business which includes overseeing the production of analytics and supporting analytics infrastructure for the entire business. Prior to this, Adel was Head of Investment Oversight at Legal & General Investment Management where she was responsible for Investment Risk, Performance Analytics and Guideline Monitoring activities. Adel joined Legal & General Investment Management's Risk team in 2010 as a Senior Risk Manager and has worked in a number of roles reporting into the Chief Risk Officer. Prior to joining Legal & General Investment Management she worked on the sell-side in market risk and trading roles. Adel holds a Master's in Finance from Budapest Corvinus University (Hungary).

### 3. MANAGEMENT COMPANY

The Company has appointed LGIM Managers (Europe) Limited to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Company.

The Management Company is a private company limited by shares incorporated in Ireland on 14 August, 2017 whose ultimate holding company is Legal & General Investment Management (Holdings) Limited. The Manager is authorised and regulated by the Central Bank in Ireland. The Management Company's registered office is at 33/34 Sir John Rogerson's Quay, Dublin 2 Ireland.

The board of directors of the Management Company are:

- Sarah Aitken;
- David Fagan;
- Eve Finn;
- Padraic O'Connor;
- Andrew John Craven;
- Volker Kurr; and
- Lee Toms.

All board directors, save for David Fagan and Padraic O'Connor, are employed by Legal & General Investment Management (Holdings) Limited. Padraic O'Connor is an independent director. The Management Company acts as the management company of the Company under the freedom to provide services organised by the UCITS Directive. In accordance with the relevant provisions of the UCI Law, the Management Company will be required to comply with the Central Bank of Ireland's UCITS Regulations (being the rules of the Management Company's 'home member state' for the purposes of the UCI Law) in relation to the organisation of the Management Company, including its delegation arrangements, risk management procedures, prudential rules and supervision, applicable prudential rules regarding the Management Company's management of UCITS authorised under the UCITS Directive and the Management Company's reporting requirements. The Management Company shall comply with the UCI Law as regards the constitution and functioning of the Company.

The Management Company adheres to a remuneration policy, designed and implemented at LGIM Managers (Europe) Limited level, which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Company. The remuneration policy to which the Management Company adheres, integrates governance, balanced pay structure between fixed and variable components as well as risk and long-term performance alignment rules, that are designed to be consistent with the business strategy, objectives, values and interests of the Management Company and the Company and the Shareholders, and includes measures to avoid conflicts of interest. The Management Company chooses not to have bonuses (such as variable remuneration based on predetermined targets or achievements). The rules of the UCITS Directive related to remuneration policies are enclosed in Appendix 2 to this Prospectus.

In general, the policy details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits are available on [www.lgim.com/uk/en/remuneration](http://www.lgim.com/uk/en/remuneration) and a paper copy of the details of such remuneration policy is available to investors free of charge upon request at the registered office of the Management Company. In addition to the Company, the Management Company also acts as the management company for other funds. The list of funds managed by the Management Company will be set out in the Company's annual reports and may be obtained upon request from the Management Company.

Subject to compliance with the Central Bank of Ireland's requirements and with the prior consent of the Directors, the Management Company may delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company. The Management Company

has appointed Legal & General Investment Management Limited to carry out investment management and distribution functions, Northern Trust Company London to carry out Share class currency hedging and Northern Trust Global Services SE to carry out certain administrative functions in respect of the Company.

## 4. INVESTMENT MANAGER

With the consent of the Company, and unless otherwise stated in the relevant Supplement, the Management Company has appointed Legal & General Investment Management Limited as investment manager to manage and invest the assets of the Funds pursuant to their respective investment objectives and policies.

The Investment Manager is a private company limited by shares incorporated in England and Wales on 21 January 1987. The Investment Manager is one of Europe's largest institutional asset managers and a major global investor. As at 30th June 2017, the Investment Manager's assets under management totalled £951 billion for approximately 3,000 clients. The Investment Manager provides products and solutions spanning asset classes, with expertise ranging from index-tracking and active strategies to liability-based risk management solutions. The Investment Manager is authorised and regulated by the FCA.

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and the Directors, to manage the assets of the Company on a discretionary basis.

The Investment Manager will not be responsible for any loss to the assets and investments of the Company as are at any time allocated by the Management Company to the Investment Manager for discretionary investment management howsoever arising, except to the extent that such loss is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.

Under the Investment Management Agreement, the Management Company agrees to indemnify the Investment Manager and the directors, officers and employees of the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as investment manager of the assets and investments of the Company as are at any time allocated by the Management Company to the Investment Manager for discretionary investment management other than those resulting from the negligence, wilful default or fraud on its or their part.

In accordance with the provisions of the Investment Management Agreement, the Investment Manager has appointed Legal & General Investment Management America Inc., a wholly owned subsidiary of Legal & General Investment Management (Holdings) Limited (the parent company of the Investment Manager) as sub-investment manager of the Company to manage part of the portfolio of certain Funds.

The Investment Management Agreement may be terminated by one party giving to the other party not less than 90 days' written notice. The Investment Management Agreement may also be terminated forthwith by notice in writing by either party (the "**notifying party**"), if the other party shall: commit any breach of its obligations under the Investment Management Agreement and, if such breach is capable of being made good, shall fail to make good such breach within 30 days of receipt of written notice from the notifying party requiring it so to do. Subject to the prior written approval of the Directors, the Investment Management Agreement may also be terminated by the Management Company without notice when this is deemed by the Management Company to be in the interests of the Company's Shareholders.

The Investment Manager (and/or its directors, employees, related entities and connected persons) may subscribe, directly or indirectly for Shares during and after the relevant Initial Offer Period.

## 5. ADMINISTRATOR

Northern Trust Global Services SE acts as the Administrator of the Company pursuant to the Administration Agreement. The Administrator will carry out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

Northern Trust Global Services SE is a company incorporated in the form of a European public limited liability company (*société européenne*) and is regulated by the CSSF. Its registered office is at 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg, and its ultimate holding company is Northern Trust Corporation which is incorporated in the United States of America .

The Administrator is not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

The Administrator has also been appointed as the registrar and transfer agent of the Company pursuant to the Administration Agreement. In this function the Administrator will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the Company.

The relationship between the Management Company, the Company and the Administrator is subject to the terms of the Administration Agreement. The Management Company may terminate the Administration Agreement on not less than six months' prior written notice to the Administrator. The Administrator may terminate the Administration Agreement on not less than 12 months' prior written notice to the Management Company. The Administration Agreement may also be terminated on shorter notice in certain circumstances.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

Subject to the prior written consent of the Directors, the Management Company reserves the right to change the administration arrangements described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator without prior notice to Shareholders. Shareholders will be notified in due course of any appointment of an alternative administrator.

The Company has also appointed the Administrator as domiciliary agent in Luxembourg pursuant to the Administration Agreement.



## 6. DEPOSITARY

### 6.1. General

Under the Depositary Agreement, Northern Trust Global Services SE has undertaken to provide depositary services for the Company's assets.

The Depositary, a European limited liability company, having its with registered office at 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg, is authorised to carry out all types of banking activities and is registered with the Luxembourg register of commerce and companies (*Registre de Commerce et des Sociétés*) under number B232281.

Any of the information disclosed with regard to the Depositary may be updated from time to time and such up-to-date information is available to investors upon request in writing from the Depositary.

### 6.2. Duties of the Depositary

Under the terms of the Depositary Agreement, the Depositary is entrusted with the safe-keeping of the Company's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Company, in respect of each Fund. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Company in respect of each Fund. Furthermore, the Depositary shall ensure that the Company's cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary Agreement:

- ensure that the sale, issue, conversion, repurchase and cancellation of the Shares are carried out in accordance with the Luxembourg laws and the Articles;
- ensure that the value of the Shares is calculated in accordance with Luxembourg laws and with the Articles;
- carry out the instructions of the Company or of the Management Company, unless they conflict with Luxembourg laws or with the Articles;
- ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- ensure that the income of the Company is applied in accordance with the Luxembourg laws and the Articles.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCI Law, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) it has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the safekeeping services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation.

The Depositary has delegated to sub-delegates the responsibility for the safekeeping of the Company's financial instruments and cash. The identities of these sub-delegates are set forth in Appendix 3 as at the date of this Prospectus. Investors should note that the list of sub-delegates is updated only at each Prospectus review. An up to date list can be found on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing) or on request from the Management Company.

The Depositary Agreement provides that the Depositary shall be liable (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have

been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCI Law and the Depositary Agreement.

The Company has also appointed the Depositary as paying agent in Luxembourg pursuant to the Depositary Agreement.

### **6.3. Terms of Appointment**

The Depositary Agreement was originally entered between the Company, LGIM Corporate Director Limited and the Depositary dated March 2017 and was novated by way of a deed of novation between the Company, LGIM Corporate Director Limited, the Management Company and the Depositary under which the Depositary has been appointed as depositary of the Company's assets, subject to the overall supervision of the Directors. The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Company or the Depositary giving to the other party(ies) not less than six months prior written notice although, in certain circumstances, the Depositary Agreement may be terminated immediately by the Company or the Depositary. If within a period of two months from the effective termination no replacement depositary shall have been appointed, the Company shall apply to the CSSF for an order to wind up the Company. The Depositary shall take all necessary steps to preserve the interests of the Shareholders during the two month period. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

### **6.4. Conflict of interests**

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary. As an example, the Management Company has appointed Northern Trust Global Services SE to provide administrative functions, including fund accounting, valuation, calculation and registrar and transfer agency services to the Company.

Accordingly, potential conflicts of interests may arise which must be appropriately identified, managed and disclosed. In order to meet such regulatory requirements in relation to such conflicts of interests, the Depositary has in place procedures which ensure that it is acting in the best interests of the shareholders. A key element of ensuring the Depositary acts in the best interests of investors is the operational and organisational separation between the depositary function and the other services provided by the Depositary's affiliates. In particular, where Northern Trust Global Services SE provides administrative or management company services, these functions operate from separate legal entities with little or no cross-directorships and with separate risk, business and compliance resources.

The Depositary has delegated safekeeping services to either an affiliate company or third party sub-custodians in certain eligible markets in which the Company may invest, listed in Appendix 3 as at the date of this Prospectus. Investors should note that the list of sub-delegates is updated only at each Prospectus review. An up-to-date list can be found on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing), or on request from the Management Company.

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Company and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians utilising identical standard questionnaires and checklists allowing it to manage any conflicts of interests that may potentially arise.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of its sub-delegates listed in Appendix 3.

If however a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Agreement and the applicable laws and, in particular, will use reasonable endeavours to ensure that the

performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Where the arrangements under the conflicts of interests policies are not sufficient to manage a particular conflict, the Depositary will inform the Company of the nature of the conflict so the Company can choose whether to continue to do business with the Depositary.

## 7. DISTRIBUTORS

The Management Company will be responsible for the distribution of the Fund (including within the European Economic Area) in accordance with the terms of the Management Agreement. With the consent of the Company, the Management Company has appointed Legal & General Investment Management Limited as the global distributor to the Fund on a non-exclusive basis under the terms of the Distribution Agreement.

Under the terms of the Distribution Agreement, Legal & General Investment Management Limited may appoint sub-distributors and sales agents. The Distribution Agreement contains provisions indemnifying Legal & General Investment Management Limited, and exempting Legal & General Investment Management Limited from liability, in certain circumstances.

Legal & General Investment Management Limited and any sub-distributors (and/or its or their directors, employees, related entities and connected persons and their respective directors and employees) may subscribe, directly or indirectly, for Shares during and after the relevant Initial Offer Period.

The Management Company may also appoint other distributors from time to time in accordance with the Management Agreement.

## **8. SUBSCRIPTIONS**

### **8.1. Initial Offer**

Shares in the Company may be subscribed for during the relevant Initial Offer Period at the Initial Offer Price and will be issued for the first time on the first Dealing Day after expiry of the relevant Initial Offer Period. The Directors may extend, shorten or change the Initial Offer Period at their discretion.

Cleared funds must be received prior to the end of the Initial Offer Period. The Directors may determine, in their sole and absolute discretion, taking into account the best interests of Shareholders, that subscriptions (whether in respect of a Fund or a particular Class) received during any relevant Initial Offer Period are insufficient and, in such event, the amount paid on application will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

### **8.2. Subsequent Subscriptions**

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis (see below under “Procedure”). The Subscription Price will be equal to the Net Asset Value per Share as of the relevant Valuation Point. The Company may charge a preliminary charge on such a subscription for Shares as set out in “Fees and Expenses” and specified in the relevant Supplement. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any preliminary charge in relation to its subscription in the Fund.

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the Subscription Price, as described in the section 11 of this Prospectus headed “Valuation”.

### **8.3. Procedure**

Applicants for Shares during the relevant Initial Offer Period should complete and sign an application form and send it to the Administrator by mail (or, subject to the following, by facsimile) so as to be received by the Administrator prior to the end of the Initial Offer Period. Cleared funds in the relevant currency in respect of the subscription monies (including any preliminary charge, if applicable) must be received by the Administrator by the same time. If the relevant application form and/or subscription monies is/are not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by mail (or, subject to the following, by facsimile) to the Administrator by the Dealing Request Deadline. Applications received after this deadline for any given Dealing Day shall be treated as received prior to the next Dealing Request Deadline. Cleared funds in the relevant currency and for the full amount of the subscription monies (including any preliminary charge, if applicable) must be received by the Administrator within three Business Days following the relevant Dealing Day, unless otherwise specified in the relevant Supplement.

Initial applications may be made by facsimile subject to the prompt receipt by the Administrator of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation. Amendments to a Shareholder’s registration details and payment instructions will only be effected on receipt of original documentation.

Fractions of Shares of up to three decimal places, with the third decimal being mathematically rounded, will be issued if necessary. Interest on subscription monies will accrue to the Company.

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

Where specified in the relevant Supplement, applicants for certain Classes of Shares will be required to enter into a remuneration agreement with the Management Company or an affiliate of the Management Company.

#### **8.4. Subscriptions in Kind**

The Company may agree to the issue of Shares in exchange for assets other than cash but will only do so where, in the absolute discretion of the Directors or any duly appointed committee of the board of Directors, it is determined that the Company's acquisition of such assets in exchange for Shares complies with the investment policies and restrictions laid down in the relevant Supplement to this Prospectus for each Fund, has a value equal to the relevant Subscription Price of the Shares (together with any preliminary charge, if applicable) and is not likely to result in any material prejudice to the interests of Shareholders. Such contribution in kind to any Fund will be valued independently in a special report from the Company's auditor, upon the request of the Directors or a duly appointed committee of the board of Directors. The costs of providing the auditor's special report and all other supplemental costs will be borne by the investor making the contribution in kind or such other third party as agreed by the Directors in their sole and absolute determination.

#### **8.5. Minimum Investment**

The Minimum Holding, the Minimum Initial Subscription and the Minimum Additional Subscription (if any) for each Class in respect of each Fund are set out in the relevant Supplement and may, in each case, be waived by the Directors (or such person as the Directors may delegate such authority).

#### **8.6. Ineligible Applicants**

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is not an Ineligible Applicant.

In particular, 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 Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to or for the account of a US Person.

If the transferee is not already a Shareholder, he will be required to complete the appropriate application form.

#### **8.7. Form of Shares**

All the Shares will be registered Shares and will only be issued in bookstock form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator, and not by a share certificate.

#### **8.8. Suspension**

The Directors may declare a suspension of the issue of Shares in certain circumstances as described in section 11.4 - "Suspension of Valuation of Assets". No Shares will be issued during any such period of suspension.

#### **8.9. Anti-Money Laundering**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation.

Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, (i) the Administrator must verify the identity of the applicant and (ii) for that purpose any applicant applying in its own name or applying through companies established in non-equivalent countries, is obliged to submit to the Administrator in Luxembourg all necessary information, which the Administrator may reasonably require to verify. In the case of an applicant acting on behalf of a third party, the Administrator must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Administrator prior to the occurrence of any change in the identity of any such beneficial owner.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account provides such information.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## **8.10. Data Protection**

Shareholders or prospective Shareholders should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form), or by virtue of providing the Company with personal information on individuals connected with the Shareholders or prospective Shareholders (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such Shareholder or prospective Shareholder may be providing the Company and its affiliates and delegates with certain personal information related to individuals which constitutes personal data within the meaning of the applicable Luxembourg data protection law, and, since 25 May 2018, of the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**Data Protection Law**").

The Company has prepared a privacy policy ("**Privacy Policy**") outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Law which has taken effect on 25 May 2018.

All new Shareholders or prospective Shareholders shall receive a copy of the Privacy Policy as part of the process to subscribe for Shares in the Company.

The Privacy Policy contains information on the following matters in relation to data protection:

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the GDPR;
- that the Company and the Management Company shall act as joint data controllers in respect of this personal data and the fact that the Administrator, the Investment Manager, the local paying agent, the Company's agents, and service providers may act as data processors (or, in certain limited circumstances, as independent data controllers);

- a description of the lawful purposes for which the personal data may be used, namely for the purpose of (i) providing the services required by the Shareholders or prospective Shareholders; (ii) administering the shareholding in the Company; (iii) maintaining the register of Shareholders; (iv) processing subscriptions, redemptions (if any) and payments of distributions to Shareholders; and (v) complying with applicable anti-money laundering rules and other legal obligations;
- details on the transmission of personal data, including (if applicable) to entities located outside the European Economic Area;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the GDPR;
- information on the Company's policy for retention of personal data; and
- contact details for further information on data protection matters.

A copy of the privacy policy of the Company is available from [www.lgim.com/sicavprivacy](http://www.lgim.com/sicavprivacy) and/or upon request from the Company.



## 9. REDEMPTIONS

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares in the relevant Supplement for the Fund in question. Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than the Dealing Request Deadline for the Dealing Day in question.

### 9.1. Procedure

Redemption requests may be submitted to the Administrator by facsimile, provided that all the original documentation as may be required by the Company has been received by the Company or its delegate (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed in advance of the relevant Dealing Request Deadline.

Any redemption requests received after the Dealing Request Deadline for a Dealing Day will be processed on the next Dealing Day.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Holding (if applicable).

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

### 9.2. Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share as of the relevant Valuation Point determined in accordance with the policy set out below in section 11.1. - "Net Asset Value and Valuation of Assets". The Company may charge a redemption charge as set out in the Supplement for the Fund in question. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any redemption charge in relation to its redemption from the Fund.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the Redemption Price, as described in the section 11 of this Prospectus headed "Valuation".

### 9.3. Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within three Business Days of the relevant Dealing Request Deadline, unless otherwise specified in the relevant Supplement. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either (a) the original, duly signed, initial application form, or (b) the original, duly signed bank mandate change request.

Fractions of Shares of up to three decimal places, with the third decimal being mathematically rounded, will be redeemed if necessary.

### 9.4. Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described in section 11.4. - "Suspension of Valuation of Assets". No Shares will be redeemed during any such period of suspension.

### 9.5. Compulsory Redemptions

Subject to applicable law and regulations, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any

person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company, the Management Company or the Investment Manager incurring any liability or taxation or suffering any other disadvantage which the Company, the Management Company or the Investment Manager may not otherwise have incurred or suffered (including, but not limited to, Shareholders who are or become Ineligible Applicants).

In circumstances where a Shareholder is identified as a person from whom information is required for the purposes of fulfilling the requirements of FATCA, but such Shareholder fails to provide such required information and/or the classification of such Shareholder requires information to be reported to the Luxembourg tax authority, the Management Company at its discretion may choose to redeem such Shareholder's interest in any of the Funds. Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of Shareholders.

Subject to the relevant Supplement, if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding, the Company reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory switch of all Shares of the relevant Class held by a Shareholder for Shares of another Class in the same Fund which have the same Reference Currency but a lower Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding (if any) and the Company decides to exercise its right to compulsorily redeem for this reason, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

## **9.6. Deferred Redemptions**

The Directors may (but are not obliged to) defer redemptions on a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund's Net Asset Value) and will defer the remainder until the next Dealing Day. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

## **9.7. Redemptions in Kind**

The Directors may request that a Shareholder accepts a "redemption in kind" i.e. receives a portfolio of securities from the Company equivalent in value to the redemption proceeds. Where the Shareholder agrees to accept a redemption in kind it will receive a selection of the Company's holdings having due regard to the principle of equal treatment to all Shareholders. The Directors may also, at their sole discretion, accept redemption requests from Shareholders to be settled in kind. The value of each in kind redemption will be certified by an auditor's report, to the extent required by Luxembourg law. All supplemental costs associated with the redemption in kind will be borne by the Shareholder requesting the redemption in kind or such other third party as agreed by the Directors in their sole and absolute discretion.

## **9.8. Anti-Money Laundering**

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "Subscriptions".

## 10. SWITCHING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described in section 11.4 - "Suspension of Valuation of Assets", holders of Shares may request to switch some or all of their Shares in one Class or Fund (the "**Original Class**") for Shares in another Class or Fund (the "**New Class**"). Such switches can only take place if, following the switch of Shares, the Shareholder's holding in the New Class will satisfy the criteria and applicable minimum holding requirements (if any) of that Class or Fund.

### 10.1. Procedure

Shareholders should send a completed request to switch in the form available from the Administrator to be received by the Administrator prior to the earlier of the Dealing Request Deadline for redemptions in the Original Class and the Dealing Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day.

The Directors may in their absolute discretion reject any request to switch in whole or in part.

Fractions of Shares of up to three decimal places, with the third decimal being mathematically rounded, may be issued by the Company on a switch of Shares where the value of Shares switched from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share of up to three decimal places will be retained by the Company in order to discharge administration costs.

The Articles authorise the Directors to charge a switching fee. The Directors shall only charge a switching fee if a higher preliminary charge is applicable to the Shares of the Fund or the Class being acquired. In such case the switching fee shall not exceed the difference between the preliminary charges applicable to the relevant Funds or Classes. Any switching fee will be retained by the relevant Fund for the benefit of the existing Shareholders.

A request to switch, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the request to switch is made.

A switch of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A switching Shareholder may, therefore, realise a taxable gain or loss in connection with the switch under the laws of the country of the Shareholder's citizenship, residence or domicile. No redemption charge will be levied on a redemption of Shares for the purpose of any switch.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class as at the relevant Dealing Day.

ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.

SP is the Net Asset Value per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the redemption of Shares shall equally apply to any switch of Shares. On a switch of Shares the accrued Performance Fee (if any) would crystallise.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the price at which switches may be effected, as described in the section 11 of this Prospectus headed "Valuation".

## 11. VALUATION

### 11.1. Net Asset Value and Valuation of Assets

The Net Asset Value of each Fund will be calculated by the Administrator as of each Valuation Point in accordance with the Articles.

The Net Asset Value of a Fund shall be determined as of the Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund.

The Net Asset Value attributable to a Class shall be determined as of the Valuation Point by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class as of the Valuation Point by reference to the number of Shares in issue in each Fund or Class as of the relevant Valuation Point subject to adjustment to take account of assets and/or liabilities attributable to the Fund or Class.

In the event that the foreign currency exposure of any Class of Shares denominated in a currency other than the Reference Currency of the relevant Fund is hedged, the costs and any benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. The Net Asset Value of a Fund will be expressed in the Reference Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as of the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class as of the relevant Valuation Point and rounding the result mathematically to four decimal places or such number of decimal places as the Directors may determine.

In determining the value of the assets of the Company:

- (A) Transferable Securities and Money Market Instruments which are quoted, listed or traded on a Regulated Market save as hereinafter provided at (D), (E), (F), (G) and (H) will be valued at the last available traded market prices, which may be, the closing market price, the mid-market price or the latest market price, as appropriate. Where a security is listed or dealt in on more than one Regulated Market the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on. Investments listed or traded on a Regulated Market, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount as of the Valuation Point provided that a competent person (having been appointed by the Directors) shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (B) The value of any transferable security which is not quoted, listed or dealt in on a Regulated Market or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors or (iii) any other means provided that the value is approved by the Directors. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (C) Cash on hand or on deposit will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant Valuation Point.
- (D) Derivative contracts traded on a Regulated Market shall be valued at the settlement price on the relevant market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors or (iii) any other means provided that the value is approved by the Directors. Derivative contracts which are traded 'over-the-counter' will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Directors and who is independent of the counterparty; or (ii) using an alternative valuation provided by a competent person appointed by the Directors or a valuation by any

other means provided that the value is approved by the Directors (the “**Alternative Valuation**”). Where such Alternative Valuation method is used the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.

- (E) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to freely available market quotations.
- (F) Notwithstanding paragraph (A) above units in collective investment schemes shall be valued at the latest available net asset value per unit or mid-price as published by the relevant collective investment scheme or, if listed or traded on a Regulated Market, in accordance with (A) above.
- (G) The Directors may value securities having a residual maturity not exceeding three months and having no specific sensitivity to market parameters including credit risk, using the amortised cost method of valuation.
- (H) The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than twelve (12) months and of more than sixty (60) days is deemed to be the market value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of sixty (60) days or less will be valued by the amortised cost method, which approximates market value.
- (I) The Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (J) Any value expressed otherwise than in the Reference Currency of the relevant Fund shall be converted into the Reference Currency of the relevant Fund at the prevailing exchange rate (whether official or otherwise) that the Directors shall determine to be appropriate.
- (K) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person approved by the Directors.
- (L) If the Directors deem it necessary a specific investment may be valued under an alternative method of valuation chosen by the Directors.

In calculating the Net Asset Value of each Fund the following principles will apply:

- (A) every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue as of the Valuation Point for the relevant Dealing Day and the assets of the Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges (if applicable);
- (B) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed;
- (C) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund;
- (D) there shall be added to the assets of the relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;

- (E) there shall be added to the assets of the relevant Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (F) where notice of the redemption of Shares has been received by the Company with respect to a Fund for a particular Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue as of the Valuation Point and the value of the assets of the Fund, as of the Valuation Point, shall be deemed to be reduced by the amount payable upon such redemption; and
- (G) there shall be deducted from the assets of the Fund:
  - (1) the total amount of any actual or estimated liabilities properly payable out of the assets of the Fund including any and all outstanding borrowings of the Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
  - (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the Company or Fund as in the estimate of the Directors will become payable;
  - (3) the amount (if any) of any distribution declared but not distributed in respect thereof;
  - (4) the remuneration of the Administrator, the Depositary, the Management Company, the Investment Manager, any distributor and any other providers of services to the Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (5) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
  - (6) an amount as of the relevant Valuation Point representing the projected liability of the Fund in respect of costs and expenses to be incurred by the Fund in the event of a subsequent liquidation;
  - (7) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the Fund or Class of Shares; and
  - (8) any other liability which may properly be deducted.

The Directors may at their discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

In the absence of fraud, bad faith, gross negligence or manifest error, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders, subject to the Articles.

The Directors have delegated to the Administrator the day to day responsibility for the calculation of the Net Asset Value and Net Asset Value per Share.

## **11.2. Swing Pricing Adjustments**

In certain circumstances, the value of the property of a Fund may be reduced as a result of charges incurred in dealings in the Fund's investments and of any spread between the buying and selling prices of these investments.

In order to prevent this effect, called "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the Directors have the power to apply "swing pricing" methodology so as to allow for the Net Asset Value per Share to be adjusted upwards or downwards by dealing and other costs, and fiscal charges which would be

payable on the effective acquisition or disposal of assets in the relevant Fund if the net subscriptions and redemptions exceed a threshold (the “**Threshold**”) set by the Directors, in their sole discretion, from time to time.

Unless the Directors determine otherwise, the Net Asset Value will be adjusted in the following circumstances:

- (A) on a Fund experiencing levels of net subscriptions (i.e. subscriptions are greater in value than redemptions) in excess of the Threshold, the Net Asset Value will be adjusted upwards by the swing factor set by the Directors from time to time;
- (B) on a Fund experiencing levels of net redemptions (i.e. redemptions are greater in value than subscriptions) in excess of the Threshold, the Net Asset Value will be adjusted downwards by the swing factor set by the Directors from time to time;
- (C) in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Shareholders and potential Shareholders that the Net Asset Value be adjusted.

Generally, the swing factor shall not exceed 2% of the Net Asset Value per Share of the relevant Fund.

### **11.3. Publication of Net Asset Value per Share**

The Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator during business hours in Luxembourg. In addition, the Net Asset Value per Share is currently published at [www.lgim.com](http://www.lgim.com).

### **11.4. Suspension of Valuation of Assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company or a Fund and the issue, switch and redemption of Shares in any Fund:

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the Company’s investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the Company’s investments of the relevant Fund; or
- (D) during the whole or any part of any period when for any reason the price or value of any of the Company’s investments cannot be reasonably, promptly or accurately ascertained;
- (E) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (F) following a possible decision to merge, liquidate or dissolve the Company or, if applicable, one or several Funds;
- (G) following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or the switch at the level of a master fund in which the Fund invests in its capacity as feeder fund of such master fund;
- (H) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or



- (l) if, in exceptional circumstances, the Directors, determine that suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Fund as appropriate).

Any suspension of valuation of the Net Asset Value of the Company or a Fund and the issue, switch and redemption of Shares in any Class shall be notified to Shareholders having made an application for subscription, redemption or switch of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and switch of Shares of any other Fund, if the assets within such other Fund are not affected to the same extent by the same circumstances.

## **12. FEES AND EXPENSES**

Any fees or expenses payable by a Shareholder or out of the assets of the Company are set out in this section.

### **12.1. Preliminary Charge**

The Company is permitted to make a preliminary charge on the subscription of Shares by a Shareholder. Where applicable, the percentage rate of any preliminary charge will be disclosed in the relevant Supplement for each Fund. The maximum amount for such preliminary charge will be 5% of the value of the relevant subscription. Any preliminary charge may be passed to placement or other introducing agents. Any preliminary charge which is not so passed on will be retained by the relevant Fund.

### **12.2. Redemption Charge**

The Company is permitted to make a redemption charge on the redemption of Shares by an investor. Where applicable, the current percentage rates of redemption charge will be shown in the relevant Supplement for each Fund. Any redemption charge will be retained by the relevant Fund.

Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by a Shareholder in the event that the Company considers that such Shareholder is systematically redeeming or switching shares within a short time period. Further information in relation to the Company's position on market timing can be found under the section of this Prospectus headed 'The Company and the Funds - Prevention of Late Trading and Market Timing'.

### **12.3. Management Company Fee**

The Management Company will receive, for the provision of its services, a fee, equal to a percentage of the Net Asset Value of the Shares of the relevant Class, the details of which are set out in the relevant Supplement for each Fund. Unless otherwise stated in the relevant Supplement, the fee payable to the Management Company will be accrued as of each Valuation Point (before deduction for any fees, expenses, borrowings, Performance Fees (if any) and interest together with value added tax (if any) on such Management Company Fee) and will be payable monthly in arrears.

The Management Company may from time to time, and at its sole discretion, and out of its own resources decide to waive or return all or a portion of the fee payable to the Management Company with respect to management affiliates or other designated investors. It may also from time to time, and in its sole discretion, and out of its own resources decide to rebate to some or all Shareholders (including the Directors), their agents or to intermediaries (including distributors or sales agents), part or all of the fee payable to the Management Company.

The Management Company shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with value added tax, if any, thereon.

### **12.4. Performance Fee**

Subject to applicable law and regulations, the Management Company may be entitled to receive a Performance Fee from the Company, the details of which are set out in the relevant Supplement for each Fund, where applicable.

### **12.5. Investment Manager Fees**

The Management Company shall pay to the Investment Manager, out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to each Fund.

### **12.6. Depository's Fees**

The Company shall pay to the Depository out of the assets of the Company an annual fee calculated as a percentage of the Net Asset Value of the assets attributable to each Fund, in accordance with applicable market standards in Luxembourg, subject to a maximum of 0.0125% per annum. The fee payable to the Depository shall be accrued as of each Valuation Point and paid out monthly in arrears, as of the relevant Valuation Point.

## **12.7. Paying Agents' Fees**

Fees and expenses of any paying agent(s) appointed by the Company, which will be at normal commercial rates, shall be borne by the Company.

## **12.8. Administrator's Fees**

The Company shall pay to the Administrator out of the assets of the Company an annual fee calculated as a percentage of the Net Asset Value of the assets attributable to each Fund, in accordance with applicable market standards in Luxembourg, subject to a maximum of 0.0175% per annum. The fee payable to the Administrator shall be accrued as of each Valuation Point and paid out monthly in arrears, as of the relevant Valuation Point.

## **12.9. Directors' Fees**

The Company shall pay to each of the Directors out of the assets of the Company an annual fee which is published in the corresponding annual/semi-annual report. The Company shall also reimburse the expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any).

Directors that are employees of Legal & General Investment Management or affiliates waive their directors' fees.

## **12.10. Service Provider Fees**

The Company, in respect of any Fund, may appoint alternative and/or additional service providers. The fees payable to the relevant service provider shall be borne by the Company.

## **12.11. Operating Expenses and Fees**

The Company also bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to : (a) all investment expenses (excluding specific expenses incurred in obtaining systems, research and other information utilised for portfolio management purposes, and the costs of statistics and services, service contracts for quotation equipment and related hardware and software), (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation, costs incurred in arranging and participating in any stocklending programmes, (c) all of the charges and expenses of legal and professional advisers, accountants and auditors (including in connection with the preparation of the Company's tax returns), (d) all brokers' commissions, all borrowing charges on short positions taken through derivative instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (e) all taxes and corporate fees payable to governments or agencies, (f) all interest on borrowings (g) all communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (h) all litigation, regulatory investigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (i) the fees of the CSSF, (j) the cost of termination of the Company or any Fund, (k) the fees and expenses of any regulator, representative, distributor or correspondent bank appointed in connection with the registration of the Company (or any Fund) or the marketing of Shares or the application for and maintenance of particular tax treatment for the Shares in any jurisdiction, (l) the costs of any liability insurance obtained on behalf of the Company or the Investment Manager, and (m) all other organisational and operating expenses.

Any such operating and other expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company, or any other basis which the Directors deem appropriate, or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

## **12.12. Allocation of Fees, Charges and Expenses**

All fees, duties, charges and expenses are charged to the relevant Fund and/or relevant Class in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although, to the extent permitted by applicable laws and regulations, the Directors may, in their discretion, allocate such fees and expenses in a manner which it considers fair to Shareholders generally.

## **12.13. Costs of Establishment**

Direct legal and tax costs of establishing the Company, which should not exceed approximately 450,000 EUR will be borne by the Company and all other costs and expenses of establishing the Company were borne by the Investment Manager or an associate of the Investment Manager.

The total costs and expenses of establishing new Funds will be payable and borne by the Company.

These costs and expenses may at the discretion of the Directors be amortised on a straight-line basis over a period of up to 5 years. In case new Funds are launched within this period of 5 years, the above mentioned direct legal and tax costs of establishing the Company will also be allocated to such Funds. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised. It is expected that such accounting treatment will not be material to the financial statements of the Company.

## 13. TAXATION

The sections below on Luxembourg, United Kingdom, United States and China taxation are brief summaries of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, switching, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

Generally the tax consequences of acquiring, holding, switching, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in, or citizens of, certain countries which have anti-offshore fund legislation may have a liability to tax as regards to tax on the undistributed gains of the Company. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Dividends, interest and capital gains (if any) which the Company receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### 13.1. Luxembourg Taxation

The following summary is based on the law and practice currently applicable in Luxembourg and is subject to changes therein.

#### 13.1.1. Taxation of the Company in Luxembourg

Under currently applicable Luxembourg law, the Company is not liable to Luxembourg income or net wealth tax, nor are dividends paid by the Company or the distribution of liquidation proceeds subject to any withholding tax in Luxembourg.

##### *Subscription tax (taxe d'abonnement)*

The Company is, however as a rule, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum computed on its Net Asset Value. This tax is payable on a quarterly basis and calculated on the net asset value of the respective Share Class at the end of the relevant quarter.

The subscription tax is however reduced to 0.01% per annum for: (i) UCIs whose exclusive object is collective investment in money market instruments and the placing of deposits with credit institutions; (ii) UCIs whose exclusive object is collective investment in deposits with credit institutions; and (iii) individual compartments of umbrella UCIs referred to in the UCI Law, as well as for individual classes of shares issued within a UCI or within a compartment of a UCI, provided that the shares of such compartments or classes are reserved to one or more institutional investors.

The *taxe d'abonnement* will also not apply *i.a.* in relation to the value of assets represented by units of other UCIs, to the extent such units have already been subject to the subscription tax provided by the amended law of 13 February 2007 relating to specialised investment funds or by the UCI Law, or in relation to UCIs as well as individual UCIs with multiple compartments (i) whose shares are listed or traded on at least one stock exchange or another regulated market, operating regularly, recognised and open to the public, and (ii) whose sole object is to replicate the performance of one or more indices (if several classes of shares exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i)).

The effective rate of *taxe d'abonnement* which is applicable to the various Classes of Shares is disclosed in each Supplement.

### *Value added tax*

In Luxembourg, regulated investment funds such as SICAVs, have the status of taxable persons for value added tax (“VAT”) purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

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

### *Other taxes*

The Company is liable to a fixed registration duty of EUR 75 on the registration of its incorporation or of any amendment to its articles of incorporation. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares.

Under current law in Luxembourg, no Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

Capital gains, dividends and interest realised or received by the Company on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

In addition, the Company may be liable to certain taxes in countries where the Company carries out its investment activities. Those taxes are not recoverable by the Company in Luxembourg.

### **13.1.2. Taxation of Shareholders in Luxembourg**

Under current legislation, Shareholders are not subject to any capital gains or income tax in Luxembourg unless they: (i) are domiciled or resident in Luxembourg; or (ii) have a Luxembourg permanent establishment or permanent representative to which or whom the Shares of the Company are attributable.

#### *Luxembourg tax residency*

A Shareholder will not become a resident, nor be deemed to be a resident, for tax purposes in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

#### *Income tax – Luxembourg residents*

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on the reimbursement of the share capital contributed to the Company.

#### *Luxembourg resident individuals*

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Company or (ii) the Shareholder has acquired free of charge, within the five years

preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

#### *Luxembourg resident corporate Shareholders*

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Luxembourg residents benefiting from a special tax regime*

Luxembourg resident corporate Shareholders which benefit from a special tax regime, such as (i) UCIs governed by the UCI Law, (ii) specialised investment funds governed by the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007, and (iv) reserved alternative investment funds governed by the law of 23 July 2016 and treated as a specialised investment fund for Luxembourg tax purposes are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### *Income tax – Luxembourg non-residents*

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable are generally not subject to any income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares in Luxembourg.

Corporate shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Net wealth tax*

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the UCI Law, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005, and (iv) a reserved alternative investment fund governed by the law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes, remain subject to minimum net wealth tax.

## *Other taxes*

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his/her taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

## **13.2. United Kingdom**

### **13.2.1. Taxation of the Company in the United Kingdom**

#### *General*

The statements on taxation below are intended to be a general summary of certain United Kingdom tax consequences that may arise on the Company and its Shareholders. This is not a comprehensive summary of all applicable tax aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective Shareholders should familiarise themselves with and, where appropriate, should consult their own professional advisers on the overall tax consequences of investing in the Company or any Fund.

The statements relate to Shareholders entering into the Company for investment purposes. It does not deal with the position of certain classes of Shareholders, such as dealers in securities and insurance companies, trusts and persons who have acquired their Shares by reason of their or another's employment. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. The statements below relate to the United Kingdom tax implications of a United Kingdom resident and domiciled individual, or United Kingdom resident company, investing in the Company. The tax consequences may differ for Shareholders who are not resident in the United Kingdom or are not domiciled in the United Kingdom for tax purposes. Shareholders and prospective Shareholders should seek their own professional tax advice.

The statements are based on current tax legislation and HM Revenue and Customs ("HMRC") practice, both of which are subject to change at any time, possibly with retrospective effect.

#### *The Company*

Provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for United Kingdom taxation purposes, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager do not consider that the Company is trading through a permanent establishment in the United Kingdom and therefore the Company should not be liable to United Kingdom taxation on its income and gains, other than on certain income deriving from a United Kingdom source. However, it cannot be guaranteed that the necessary conditions for these requirements to be met will at all times be satisfied.

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax on distributions of income made by the Company, whether or not such distributions are reinvested in the Company.



Distributions paid to Shareholders by the Funds are deemed for United Kingdom income tax purposes to be dividends, except where over 60% of a Fund's investments are invested at any time in a distribution period in interest-paying and related investments. In this case the distributions from that Fund will be deemed for United Kingdom income tax purposes to be interest when received by United Kingdom individual taxpayers.

While United Kingdom corporate Shareholders are generally not subject to corporation tax on dividends from non-United Kingdom companies, such Shareholders should note the circumstances above in which distributions will not be treated as dividends and will be taxable within the loan relationships regime as described below.

Each Share Class of each Fund will constitute an "offshore fund" for the purposes of the offshore funds legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 ("**TIOPA 2010**"). Under the Offshore Funds (Tax) Regulations 2009, any gain arising on the sale, disposal or redemption of the Shares by Shareholders who are resident in the United Kingdom will be taxed as income (as described below) unless the Class of Shares is certified by HMRC as a "reporting fund" throughout the period during which the Shareholder held the relevant Shares.

The Directors may consider applying to the United Kingdom HMRC in respect of some or all Classes of Shares in certain Funds for recognition as a reporting fund.

The Shares of each Fund which has reporting status shall be widely available. The Directors confirm that their intended categories of investors are not "restricted" for the purposes of the United Kingdom Offshore Fund (Tax) Regulations 2009 and the United Kingdom Offshore Funds (Tax) (Amendment) Regulations 2011 (the "Offshore Funds Regulations"). These Shares shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

The effect of obtaining and maintaining such status for a particular Class of Shares throughout a Shareholder's relevant period of ownership would be that any gains on disposal of such Shares would be taxed as capital gains. Where a Class of Shares does not have reporting fund status, however, any gains arising to Shareholders resident in the United Kingdom on a sale, redemption or other disposal of their Shares (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains. These are taxable at the investor's marginal, i.e. highest, income tax rate (but if a loss should arise, this would constitute an allowable loss for capital gains tax purposes). Where "reporting fund" status is obtained for a Class of Shares, as noted above, any gains arising to Shareholders resident in the United Kingdom (other than persons who are dealing in the Shares who are subject to different rules) on the sale, disposals or redemptions of those Shares should be liable to capital gains tax (or corporation tax on chargeable gains) and not to tax as income. Shareholders in such a Class of Shares will be liable to income tax on their share of income arising to the Fund whether or not that income is distributed. Information about any undistributed income will be made available to Shareholders in a Class of Share which is a reporting fund for United Kingdom tax purposes. Where any final gain on disposal includes taxed but undistributed amounts these may be deducted in computing any capital gain on disposal.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of corporate debt contained in Part 6 of the United Kingdom Corporation Tax Act 2009 ("**CTA 2009**") (the "loan relationships regime") which provides that, if at any time in an accounting period such a person holds an interest in an offshore fund, as defined in Part 8 of TIOPA 2010, and there is a time in that period when over 60% of that fund's investments are invested in interest-paying and related investments, then 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. The consequences of falling within the loan relationships regime is 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 "mark to market" basis. Accordingly, such a person which acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of corporate Shareholders is drawn to the provisions contained in Part 9A of TIOPA 2010 which subjects certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions (subject to certain de minimis provisions and exemptions) affect United Kingdom resident companies which are deemed (together with connected parties) to have an interest of at least 25 per cent in the profits of a company which, broadly, is resident in a low tax jurisdiction, but which is controlled by residents of the United Kingdom.

The attention of Shareholders resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("**Section 13**"). Section 13 applies to any "participator" in the Company for United Kingdom taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to a Fund, it is itself controlled by a sufficiently small number of persons (five or fewer) so as to render the Fund, were it to have been resident in the United Kingdom for taxation purposes, a "close" company for those purposes. The provisions of Section 13 could, if applied, result in such a Shareholder being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly, that part being equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a "participator". A Shareholder could therefore incur a liability to tax even if the gain accruing to the Company had not been distributed by the Company. No liability under Section 13 will be incurred by such a Shareholder where the proportionate interest of the Shareholder together with associates does not exceed 25% of the chargeable gain. Furthermore, this rule should only apply where either the holding or disposal of the asset by the Company formed part of a scheme or arrangements of which one of the main purposes was the avoidance of capital gains tax or corporation tax.

The attention of a United Kingdom Shareholder who is an individual is drawn to the provisions contained in Chapter 2 of Part 13 of the Income Tax Act 2007 ("**ITA 2007**") which counters the avoidance of income tax by means of the transfer of assets or income to persons who are resident or domiciled outside of the United Kingdom. The application of this legislation may render such individuals liable to tax on the undistributed income of the Company in certain circumstances. There are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not one of the purposes of the transactions, or where the transaction is a "genuine transaction" and the individual's liability to tax would contravene EU treaty freedoms.

The attention of United Kingdom Shareholders is drawn to Part 15 of the Corporation Tax Act 2010 and to Part 13 of ITA 2007 through which HMRC may seek to apply to cancel tax advantages from certain transactions in securities.

Stamp Duty Reserve Tax should not apply to agreements to transfer the Shares in the Company as the Company is not incorporated in the United Kingdom, the Shares will not be registered on any register kept in the United Kingdom and they will not be paired with Shares issued by a body corporate incorporated in the United Kingdom. Legal instruments transferring Shares in the Company should not be within the scope of United Kingdom Stamp Duty provided that such instruments are executed outside the United Kingdom.

### **13.3. United States of America**

#### *US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")*

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the US HIRE Act, became law in the United States in 2010. It requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the IRS on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof on 28 March 2014 and adopted a law enacting the IGA and issued two circulars providing official implementing guidance in July 2015. The Company intends to comply with the applicable provisions of the Luxembourg IGA, as implemented by Luxembourg law, so that it and the Funds will be deemed compliant with FATCA and thus not subject to the 30% withholding tax with respect to payments attributable to actual and deemed U.S. investments of the Funds. Under the IGA, the Company may be required to collect information identifying the Specified U.S. Persons that directly and indirectly hold Shares (Shares so held, "reportable accounts"). Any such information on reportable accounts provided to the Company 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 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.

Specifically, to ensure the Company and each Fund's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Directors may:

- a. request information or documentation, including an IRS Form W-8, 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 Shares to the Luxembourg tax authorities if such Shares are deemed a U.S. reportable account under the Luxembourg IGA; and
- c. deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the Funds, in accordance with FATCA and the Luxembourg IGA.

The Directors reserve the right to require any additional documentation or information from Shareholders and applicants for the purposes of fulfilling the requirements of FATCA. In circumstances where a Shareholder is identified as a person from whom such information must be received or who is otherwise covered by FATCA, but such Shareholder fails to provide such required information and/or classification of such Shareholder requires information to be reported to the Luxembourg tax authority, the Directors at their discretion may choose to redeem such Shareholder's interest in any of the Funds or require such Shareholder to transfer its interest to a person not subject to FATCA withholding and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder.

There may be additional implementing guidance with respect to aspects of FATCA compliance, and the actual reporting requirements may impose additional burdens on the Funds.

If you are in any doubt about how FATCA may impact you as a Shareholder or an applicant, you should consult your tax adviser.

Shareholders and applicants are also recommended to check with their distributors and custodians as to their intention to comply with FATCA.

## 13.4. China

Some Funds may directly invest in China A Shares issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore (the "**Direct PRC investment**"). The Company may be subject to PRC taxes in respect of income derived from the Direct PRC investment.

### *Corporate income tax ("CIT")*

If the Company is considered as a PRC tax resident, it will be subject to PRC CIT at 25% on its worldwide income; if the Company is considered as a non-PRC tax resident but has an establishment or place of business ("**PE**") in the PRC, the profits and gains attributable to that PE would be subject to PRC CIT at 25%. If the Company is a non-PRC tax resident that does not have a PE in the PRC or has a PE in the PRC but the income derived are not connected to such a PE, it would be subject to PRC withholding income tax ("**WIT**") on PRC sourced income as explained below.

### *Dividend income and interest income from PRC investment*

With effect from 1 January 2008, the CIT Law provides for a 20% WIT on PRC sourced passive income (such as dividends or interest payable that may arise from PRC investment) to non-PRC tax residents without PE in the PRC. In accordance with the Detailed Implementation Rules ("**DIR**"), the WIT on dividends or interest is reduced to 10%; this rate may further be reduced in accordance with provisions of tax treaties in effect with the PRC.

The entity distributing such dividends or interest is required to withhold such tax. Accordingly, the Company may be subject to WIT on any dividends, distributions and interests it receives from its Direct PRC investment.

With effect from 1 January 2008, the CIT Law provides for a 20% WIT on gains derived by non-PRC tax residents from the transfer of shares in a PRC resident company. In accordance with the DIR, the withholding tax rate on such gains is 10% (unless a preferential tax treatment is offered under the relevant tax treaties) provided that the non-PRC resident is not considered to have a PE in the PRC or the capital gain is not considered effectively connected to the PE.

### *Capital Gains derived from the Trading of China A Shares via Stock Connect*

Pursuant to Caishui [2014] No.81 (“**Circular 81**”) and Caishui [2016] No. 127 (“**Circular 127**”) promulgated by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission (“**CSRC**”) on 14 November 2014 and 5 December 2016 respectively, dividends received by Hong Kong market investors, both enterprises and individuals, and overseas investors (including the relevant Fund) from China A Shares investment via Stock Connect are temporarily exempted from PRC income tax on capital gains derived from the sales of China A Shares traded on Stock Connect.

Please also note that the CIT exemption under Circular 81 and Circular 127 is temporary. As such, as and when the PRC authorities announce the expiration of such exemption, the Investment Manager may need to commence provisioning for potential tax liability, which would in turn adversely affect the Net Asset Value of the relevant Fund. Prospective investors should consult their independent tax advisors regarding the possible implications of capital gain tax on an investment in the relevant Fund.

#### *Value-added Tax (“VAT”) and other surtaxes*

With the Circular Caishui [2016] No. 36 regarding the final stage of VAT reform which came into effect on 1 May 2016, the gains derived from the trading of Chinese securities are subject to VAT starting from 1 May 2016.

Dividend income or profit distributions on equity investment derived from the PRC are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

#### *Stamp duty*

Stamp duty under PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of China A Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Under Circular 81 and Circular 127, Hong Kong and overseas investors trading China A Shares through Stock Connect are required to pay stamp duty at the rate of 0.1% on the sales transactions of China A Shares.

The Management Company reserves the right to make tax provision for any tax liabilities arising from the income derived from the PRC investments. While a tax provision on capital gains may be made by the Management Company in respect of the income from PRC investments, the level of provision may be inadequate to meet actual PRC tax liabilities on investments made by the relevant Fund. Consequently, Shareholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If the actual tax levied is higher than that provided for by the Management Company so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the relevant Fund may be lowered, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Shares in issue at the relevant time and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, those persons who have already redeemed their Shares before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision and as such may be disadvantaged. Investors should seek their own tax advice on their tax position with regard to their investment in the relevant Fund.

### **13.5. Common Reporting Standard**

Capitalised terms used in this section should have the meaning as set forth in the Luxembourg law on the Common Reporting Standard (“**CRS Law**”), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States (“**DAC Directive**”). The adoption of

the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg automatically exchanges financial account information with other participating jurisdictions since 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Company may be required to annually report to the Luxembourg tax authorities the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder, ii) and, in the case of a Passive NFE, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authorities to foreign tax authorities.

Additionally, the Company is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company should be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company with this information.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any fines and penalties imposed on the Company and attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of this Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

### **13.6. General**

It is expected that Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for every investor of subscribing, switching, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

## 14. RISK MANAGEMENT PROCESS

Each Fund may determine its global exposure to financial derivative instruments employing either a commitment approach model or a Value-at-Risk model. The model used for each Fund is set out in the relevant Supplement.

Funds determining their global exposure to financial derivatives using the commitment approach model generally make use of these derivatives for efficient portfolio management purposes, and any leverage that arises as a result of using these financial derivatives will be minimal, and in any event aggregate exposure to the financial derivatives will not exceed 100% of the relevant Fund's Net Asset Value. Funds using the commitment approach will not leverage their positions to generate a notional exposure in excess of the Net Asset Value of the relevant Fund.

The commitment approach requires the relevant Fund to convert each financial derivative position into the market value of an equivalent position in the underlying asset of that derivative. The Fund may take into account netting and hedging arrangements when calculating its global exposure where these arrangements do not disregard the obvious and material risks and result in a clear reduction of risk exposure.

Funds determining their global exposure to financial derivatives using the Value-at-Risk model will ensure that such global exposure does not exceed the limits as set out in the CSSF Circular 11/512. The model used to determine the global exposure, along with expected levels of leverage, will be set out in the relevant Fund's Supplement.

Each Fund may invest, according to its investment objectives and in compliance with the investment restrictions set out in Appendix 1 of this Prospectus, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down therein.

When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Appendix 1 of this Prospectus.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

The Management Company has implemented a Risk Management Process which will be followed in relation to the Company and each Fund. The directors of the Management Company will review such Risk Management Process at least annually.

## 15. RISK FACTORS

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following factors before subscribing for Shares.

### 15.1. General risk factors relevant to all of the Funds

#### General Investment Risk

Investors should be aware that there are risks inherent in the holding of securities:

- (A) there is no assurance that any appreciation in the value of investments made by a Fund will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full;
- (B) the tax treatment of the Funds may change and such changes cannot be foreseen;
- (C) where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment;
- (D) the difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

#### Business Risk

There can be no assurance that the Company will achieve its investment objective in respect of any of the Funds. The investment results of the Fund are reliant upon the success of the Investment Manager.

#### Effect of Preliminary Charge

Where an initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

#### Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see "Suspension of Valuation of Assets").

#### Segregation of Liabilities between Funds

As a matter of Luxembourg law, the assets of each Fund will not be available to meet the liabilities of another, although the concept of segregated liability remains untested. Accordingly, where claims are brought by local creditors in a court other than the Luxembourg courts or under contracts governed by a law other than the law of Luxembourg, it is not yet known whether such foreign court would give effect to the segregated liability and cross-investment provisions of the Luxembourg law.

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder will not be liable to make any further payment to the Company after he has paid the Subscription Price and any preliminary charge or other charges (such as transaction costs in relation to a subscription in kind) due on the purchase of Shares.

## **Depository – Segregation, Sub-Custodians and Insolvency**

Where securities are held with a sub-custodian of the Depository or by a securities depository or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis.. There may be circumstances where the Depository is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depository has complied with its duties.

The Company is at risk of the Depository or a sub-custodian entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of assets held by or on behalf of the Depository or the relevant sub-custodian, as the case may be, may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of each Fund may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Depository or the relevant sub-custodian, as the case may be, in full, or at all.

## **Depository Liability**

In the event of loss suffered by the Company as a result of the Depository's actions or omissions, the Company would generally, in order to bring a successful claim against the Depository, have to demonstrate that it has suffered a loss as a result of Depository's failure to use such reasonable care as may be expected of a leading global custodian in performing its obligations under the Depository Agreement. The Company may also have to demonstrate that it has suffered a loss as a result of the Depository's negligence, fraud or wilful default.

## **Market Crisis and Governmental Intervention**

The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to fulfil a Fund's investment objective. However, there is a high likelihood of significantly increased regulation of the global financial markets, and such increased regulation could be materially detrimental to the performance of a Fund's portfolio.

## **FATCA Compliance**

To comply with Luxembourg IGA, the Company may be required to, amongst other things, report on an annual basis information relating to the identity of certain investors (generally investors who are US taxpayers or who are owned by US taxpayers) and details relating to their holdings to the Luxembourg tax authority.

A Shareholder that fails to provide promptly on request the required information to the Company (or, in the case of a Shareholder that is a "foreign financial institution" for purposes of FATCA, fails to enter into an FFI agreement with the IRS or otherwise comply with an applicable IGA) will have its interest in the Funds mandatorily redeemed or will be required to transfer its Shares to a person not subject to FATCA withholding and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder or will be subject to a 30% withholding tax with respect to its share of certain U.S. source income directly or indirectly attributable to investments of the Funds.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax under FATCA, no assurance can be given that the Company will be able to satisfy these obligations. In circumstances where a Shareholder is identified as a person from whom information must be received or who is otherwise covered by FATCA, the Directors at their discretion may choose to redeem such Shareholder's interest in any of the Funds or require such Shareholder to transfer such interest to a person not subject to FATCA withholding and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder. If the Company



becomes subject to a withholding tax as a result of the US HIRE Act, the return of all Shareholders may be materially affected.

Further information may be found under “Taxation – United States of America”.

### Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard (“CRS”) as set out in the CRS Law.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, since 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company is required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the “CRS Information”).

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

For the purposes of this section, “**Controlling Person**” means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Company within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Company’s CRS Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor’s failure to provide the Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

### Hedging Risk

Hedging transactions may be entered into using futures, forwards or other exchange-traded or over-the-counter instruments or by the purchasing of securities (“**Hedging transactions**”) in order to hedge the Fund’s exposure to foreign exchange risk where Classes of Shares are denominated in currencies other than Reference Currency of the relevant Fund and/or certain other exposures including the risk of the value of a Class of Shares, or any increase thereto, being reduced by inflation in the underlying currency of the relevant Class. In addition, the Investment Manager will, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations.

Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Fund or a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described under the risk factor headed “Derivatives” below.

Prospective investors should note that there can be no assurance that any hedges which are in place from time to time will be effective.

Please refer to the risk factor headed “Currency Exposure” below for further disclosure in relation to certain risks related to Shares being denominated in different currencies and assets of a Fund being denominated in a currency other than the Reference Currency of the relevant Fund.

### **Currency Exposure**

The Shares are denominated in a number of different currencies and Shares will be, as appropriate, issued and redeemed in the currency of denomination of the relevant Class. However, certain of the assets held on behalf of a Fund may be invested in securities and other investments which are denominated in other currencies. The Investment Manager will, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations but each Fund will necessarily be subject to foreign exchange risks. In addition, the foreign exchange exposure of the assets attributable to each Fund is, generally, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rate between the currency of denomination of the relevant Class of Shares and the Reference Currency of the relevant Fund, if different.

Notwithstanding the foregoing, and noting that hedging techniques may not be completely effective, where the currency exposure of a Fund is not fully hedged, the value of the assets of that Fund may be affected favourably or unfavourably by fluctuations in currency rates. To the extent that hedging techniques are successful, performance of the relevant Class is likely to move in line with the performance of the underlying assets and investors in a hedged Class will not benefit if the value of the currency of denomination of the relevant Class falls against the Reference Currency of the relevant Fund. Furthermore, prospective investors whose assets and liabilities are predominantly in currencies other than the currency of denomination of the Shares in which they have invested should take into account the potential risk of loss arising from fluctuations in value between the currency of denomination of such Shares and such other currencies. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

Shareholders should also note that generally there is no segregation of assets and liabilities between Classes in a Fund and therefore a counterparty to a derivative overlay entered into in respect of a hedged Class may have recourse to the assets of the relevant Fund attributable to other Classes of that Fund where there is insufficient assets attributable to the hedged Class to discharge its liabilities. While there is a theoretical risk of contagion between Classes, the Company has taken steps to ensure that such risk is fully mitigated so that the additional risk introduced to the Fund through the use of a derivative overlay is borne by the relevant Class only.

### **Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10% of the total number of Shares representing interests in a single Fund then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder’s ability to redeem his Shares (as described in more detail in section 9.6 – “Deferred Redemptions”).

### **Counterparty Risk**

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Fund may effect transactions are “over-the-counter” (or “interdealer”) markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such “over-the-counter” transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties.

Moreover, the Funds shall only transact with eligible counterparties and each counterparty to a financial derivative transaction must be eligible under the UCI Law and permitted by the CSSF.

### **Effect of Substantial Redemptions**

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Fund and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### **Information Rights**

Upon request by a Shareholder, the Investment Manager may provide a Shareholder with information about a Fund and its positions where the Directors determines that there are sufficient confidentiality agreements and procedures in place. This information may not be systematically provided to all other Shareholders in a Fund (but will be available to all Shareholders if requested). As a result, the Shareholder that has received this information may be able to act on such additional information that other Shareholders may not systematically receive. Accordingly, not all Shareholders will have the same degree of access to the type and/or frequency of individual position listings in connection with the Company and transparency of portfolio characteristics may differ based on individual agreements with investors.

### **Investment Management Risk**

The investment performance of a Fund may be substantially dependent on the services of certain individuals. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Fund may be adversely affected.

### **Legal Risk**

The Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the developing/emerging countries in which assets of the Funds' may be invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Funds and their operations.

### **EU Market Infrastructure Reforms**

The package of European Union market infrastructure reforms known as "MiFID II" is expected to have a significant impact on the European capital markets. MiFID II, which has taken effect on 3 January 2018, will increase regulation of trading platforms and firms providing investment services, including the Investment Manager.

Among its many reforms, MiFID II will bring in significant changes to pre- and post-trade transparency obligations in respect of financial instruments admitted to trading on EU trading venues, including a new transparency regime for non-equity financial instruments, an obligation to execute transactions in shares and derivatives on a regulated trading venue, and a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and an increase in transaction costs, and, as a consequence, may have an adverse impact on the ability of the Investment Manager, or where relevant its authorised delegates, to execute the investment strategy of the Funds effectively.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and position management powers could similarly lead to liquidity reduction and/or an increase in costs and spreads in the commodities markets.

Furthermore, it is not yet clear how the implementation of the MiFID II rules by brokers will affect the operational costs of such brokers and other market participants, and there is therefore a risk that this will result in an increase in broker fees for the Funds.

## Transaction Costs

The investment policies of the Funds may involve a high level of trading and turnover of the investments of the Funds which may generate substantial transaction costs which will be borne by each Fund separately.

## Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between Luxembourg GAAP and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly.

## Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

## Strategy Risk

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies. The strategies employed by the Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Funds may be adversely affected.

## Tax Considerations

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by that Fund or the Company (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares in that Fund. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

## Redemption Risks

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the Company or a Fund in any of the exceptional circumstances as described under section 11.4. of this Prospectus headed "Valuation – Suspension of Valuation of Assets".

## Undervalued/Overvalued Securities

One of the key objectives of a Fund may be to identify and invest in undervalued and overvalued securities (“**misvalued securities**”). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Funds may not adequately compensate for the business and financial risks assumed.

The Funds may make certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Funds may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the capital of the Funds may be committed to the securities, thus possibly preventing the Funds from investing in other opportunities.

## Volatility

There are a large number of risks inherent in trading of the nature contemplated by the Funds. Price movements are volatile and are affected by a wide variety of factors, including changing supply and demand relationships, credit spread fluctuations, interest rate and exchange rate fluctuations, the accuracy of implied correlations and implied volatilities of investments, international events and government policies and actions with respect to economic, exchange control, trade, monetary, military and other issues. These price movements could result in significant losses to a Fund. Conversely, the absence or a low degree of volatility may reduce the opportunities for potentially profitable transactions and adversely affect the performance of a Fund.

The Directors have the power to apply “swing pricing” methodology. The application of swing pricing methodology may increase the volatility of the Net Asset Value per Share of a Fund.

## Availability of Investment Strategies

The success of the investment activities of the Funds will depend on the Investment Manager’s ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Funds involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Funds’ assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which the Funds seek to invest, as well as other market factors, will reduce the scope for the implementation of the Funds’ investment strategies.

The Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

## Other Activities of the Investment Manager

The Investment Manager and its members, officers, employees and affiliates, including those involved in the investment management of the Funds may be engaged in businesses in addition to the investment management of the Funds. The Investment Manager may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Funds and/or which may engage in transactions in the same types of securities and instruments as the Funds. The Funds’ performance may differ significantly from the results achieved by the Investment Manager for other accounts managed or advised by the Investment Manager. When making an investment where conflicts of interest arise, the Investment Manager will endeavour to act in a fair, reasonable and equitable manner as between the Company and its other clients. Personnel of the Investment Manager are not required to devote all or any specified portion of their time to managing the affairs of the Company and are not required to accord exclusivity or priority to the Company in the event of limited investment opportunities, but will devote to the Company so much of their time as the Investment Manager deems necessary or appropriate. The Investment Manager may choose to trade or rebalance separate products with similar strategies at different times. Investment activities by the Investment Manager on behalf of other clients may give rise to additional conflicts of interest and

demands on their time and resources. The Investment Manager and its members, officers, employees and affiliates may from time to time act as directors, investment managers, administrators or prime brokers in relation to or otherwise be involved with other companies established by parties other than the Company. In such event, should a conflict of interest arise, the Investment Manager will endeavour to ensure that it is resolved fairly.

### **Withdrawal of the United Kingdom from the European Union (Brexit)**

On 30 March 2017, the United Kingdom triggered Article 50 under the Lisbon Treaty which requires the United Kingdom to withdraw from the European Union within two years (unless the European Council, in agreement with the United Kingdom, unanimously decides to extend this time period). While the long-term economic effects of Brexit on the United Kingdom may or may not be positive, it is nevertheless likely that a period of significant political, regulatory and commercial uncertainty will result. The UK parliament has rejected the withdrawal agreement agreed with the EU meaning it is unclear when and on what basis the UK will leave the EU. It is therefore possible that the UK may leave the EU with no deal on 31 October 2019 or earlier under a so called "hard Brexit", and lose many if not all of its membership benefits, including its EU single market passports permitting the free exchange of goods and services between the UK and the EU. It is impossible to predict what the consequences this planned exit will have and there is no assurance that it will not have a long-experienced material adverse effect on volatility in or performance of European and international economies and financial markets.

In particular, there can be no assurance that the foregoing developments will not have a material adverse effect on the sub-funds' ability to achieve their investment objectives. For example, currency volatility may mean that the returns of a sub-fund are adversely affected by market movements and may make it more difficult, or more expensive, for the sub-fund to execute prudent currency hedging policies. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of a sub-fund.

The Company will ensure that, where adjustments to the investment portfolio are required as a result of Brexit, such adjustments will be made as soon as possible during the grace period which will be granted to the Company in compliance with article 186-6 of the UCI Law. The Company will take into account the stability of financial markets and the interests of the Shareholders and only consider investments made prior to Brexit.

### **15.2. Specific risk factors relevant to certain of the Funds**

In addition to the general risk factors set out above, some or all of the following risk factors may be relevant to certain of the Funds, as further described in the Supplement for the relevant Fund.

#### **Concentration of Investments**

A Fund may at certain times hold relatively few investments. Such a Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer. Such Fund may tend to be more volatile than a sub-fund which invests in a more broadly diversified range of securities.

#### **Debt Instruments and Securities**

The debt instruments in which a Fund may invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In addition to high investment grade debt instruments, a Fund may invest in low investment grade or non-investment grade debt instruments, which are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. A Fund's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.

The Funds may invest in fixed income securities which may be not be rated by a recognised credit-rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher-rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less

active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Funds. The Funds 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 Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Funds 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.

### **Convertible Securities**

A convertible security generally entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged.

Before conversion, convertible securities generally have characteristics similar to both debt and equity securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities.

Convertible securities generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible securities may be affected by any dividend changes or other changes in the underlying securities.

### **Contingent Convertible Debt Securities**

Certain Funds may invest in contingent convertible debt securities which are instruments with a non-discretionary, pre-defined trigger event stated in the terms & conditions of their issue, which if occurs automatically triggers the loss absorption mechanism embedded within the security.

Triggers may include, but are not limited to, events where a capital ratio drops below a specified level, which could cause an automatic conversion of the security to equity or have their principle written down, either partially or in full.

Coupon payments on certain contingent convertible debt securities may be entirely discretionary and may be cancelled or deferred by the issuer at any point, for any reason, and for any length of time. Contrary to the typical capital hierarchy, contingent convertible debt securities investors may suffer a loss of capital before equity holders.

Most contingent convertible debt securities are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible debt securities may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

Contingent convertible debt securities tend to have higher price volatility, greater liquidity risk and valuation risk than other debt securities.

Contingent convertible debt securities are innovative financial instruments and their behaviour in a financial crisis is thus unknown, which may lead to increased valuation risk, potential price contagion and volatility to the entire asset class.

This may also lead to a certain level of market illiquidity which may adversely impact both the price formation and the transferability of the instruments. In particular finding a ready buyer for contingent convertible debt securities may be difficult and the seller may have to accept a significant discount to the expected value of the security in order to sell it.

To the extent that investments are concentrated in a particular industry, investors will be susceptible to loss due to adverse occurrences affecting that industry.

Coupons on contingent convertible debt securities may be subject to mandatory deferral or cancellation under applicable laws and regulation. At the same time an issuer may keep paying equity dividends and variable compensation whilst not paying coupons on contingent convertible debt securities.

## Distressed securities

The Funds may directly or indirectly purchase securities and other obligations of companies that are experiencing or might experience in the future significant financial or business distress (“**Distressed Companies**”), including companies involved in bankruptcy, insolvency or other reorganisation and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time or any return at all. Evaluating investments in Distressed Companies is highly complex and there is no assurance that a Fund will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a Distressed Company in which a Fund invests, such Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation of the Fund and/or its representatives and this may expose the Fund to litigation risks or restrict its ability to dispose of its investments. Under such circumstances, the returns generated from the Fund’s investments may not compensate Shareholders adequately for the risks assumed.

There are a number of significant risks when investing in Distressed Companies that are or may be involved in bankruptcy or insolvency proceedings, including adverse and permanent effects on an issuer, such as the loss of its market position and key personnel, otherwise becoming incapable of restoring itself as a viable entity and, if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Many events in a bankruptcy or insolvency are the product of contested matters and adversary proceedings that are beyond the control of the creditors. Bankruptcy or insolvency proceedings are often lengthy and difficult to predict and could adversely impact a creditor’s return on investment. The bankruptcy and insolvency courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. Shareholders, creditors and other interested parties are all entitled to participate in bankruptcy or insolvency proceedings and will attempt to influence the outcome for their own benefit. Administrative costs relating to bankruptcy or insolvency proceedings will be paid out of the debtor’s estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

## Derivatives

The Funds may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. Such instruments normally require only low initial margin deposits in order to establish a position in such instruments and may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

## Particular Risks of OTC Derivatives

Unlike exchange-traded instruments, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be difficult to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC



arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

European Union Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or “EMIR”), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain “eligible” OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Company.

While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. On 22 May 2015 ESMA published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Company and the Funds, which may include an increase in the overall costs of entering into and maintaining OTC derivatives contracts. The Directors and the Investment Manager will monitor the position. However, prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR may in due course adversely affect the ability of the Funds to adhere to their respective investment policies and achieve their investment objective.

### **Credit Spreads**

A Fund may make investments that expose it to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

### **Asset Backed Securities and Mortgage Backed Securities**

In accordance with their investment objective and policy and subject to applicable law, the Funds may invest in securities that represent an interest in a pool of mortgage loans (“mortgage backed securities”). Mortgage-backed securities may include securities which represent claims on cash flows from loans on residential properties and loans on commercial properties for commercial mortgage-backed securities. The Funds may also invest in credit card receivables or other types of loans (“asset backed securities”). Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities.

Most mortgage-backed securities and asset-backed securities are usually issued in different tranches: any losses realised in relation to the underlying assets are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth. The underlying assets of such securities may be adversely affected by macroeconomic factors such as adverse changes affecting the sector to which the underlying assets belong, economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets. The implications of such negative effects depend on the geographic, sector-specific and type-related concentration of the underlying assets. The degree to which any securities are affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Mortgage backed securities and asset backed securities are generally subject to prepayment risk, which is the risk associated with the early unscheduled payment of principal on a fixed-income security. Early prepayment of principal can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield.

Mortgage backed securities and asset backed securities may be less liquid than comparably-rated corporate bonds. Shareholders should be aware that liquidity may be reduced at times of market stress and this may lead to valuation losses on securities as market makers defensively price bonds to avoid balance sheet or risk exposures. Under these circumstances, liquidation of portions of the Funds’ investments in mortgage backed and asset backed securities, if any, could produce realised losses.

## Convertible Bond Transactions

Convertible bond transactions are designed to hedge out the risks involved in market movements affecting unhedged investments in the underlying instruments into which the relevant convertible bond may be converted. Therefore, they are intended to be a relatively “market neutral” investment. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses will be limited by the short hedge on the underlying security, but may be substantial in relation to the Net Asset Value of the Company. The Company may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the unhedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if the terms of the convertible bond do not allow for an adjustment in the conversion terms, or the Company is forced to convert a security earlier than anticipated.

## Credit Default Swaps

A credit default swap is a type of credit derivative which allows one party (the “**protection buyer**”) to transfer credit risk of a reference entity (the “**reference entity**”) to one or more other parties (the “**protection seller**”). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events (each, a “**credit event**”) experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the Company if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

## Swap Agreements

The Company 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 Company’s exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Company is not limited to any particular form of swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Fund.

Swap agreements tend to shift the Company’s investment exposure from one type of investment to another. For example, if the Company agrees to exchange payments in one currency for payments in another currency, the swap agreement would tend to decrease the Company’s exposure to interest rates in the country and/or region of the first currency and increase its exposure to the other currency and interest rates in the relevant country and/or region. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Company’s portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Company. If a swap agreement calls for payments by the Company, the Company 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 by the Company. Use of swaps agreements may also incur counterparty risk as described above.

## Use of Swaps and Other Derivatives

The Investment Manager may make use of swaps and other forms of derivative contracts. In general, a derivative contract typically involves leverage (within the permitted limits), i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Many of the derivative contracts used by the Company will be privately negotiated in the over-the-counter market. These contracts

also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

### **Currency Options Trading**

The Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to over-the-counter options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium he pays).

### **Securities Lending**

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, a Fund could experience delays in recovering its securities and may possibly incur a capital loss. A Fund may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the securities lending counterparty at the conclusion of the securities lending contract. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

### **Options**

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

### **Futures**

The Funds may take exposure to futures contracts the prices of which are affected by a variety of factors, including weather, governmental programs and policies, national and international political and economic events, changes in interest and exchange rates and trading activities in commodities and related contracts. These factors may adversely affect the level of the Fund and the value of the Shares in the Fund.

### **Developing/Emerging Markets**

The Funds may invest in Developing/Emerging Market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets.

Investment in Developing/Emerging Market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, Developing/Emerging Market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, the investment opportunities of the Funds in certain Developing/Emerging Markets may be restricted by legal limits on foreign investment in local securities.

Developing/Emerging Markets may not be as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity

levels in Developing/Emerging Markets are lower than in developed countries. When seeking to sell Developing/Emerging Market securities, little or no market may exist for the securities. In addition, issuers based in Developing/Emerging Markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in Developing/Emerging Markets may not accurately reflect the actual circumstances being reported.

Some Developing/Emerging Markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some Developing/Emerging Markets is much slower and subject to a greater risk of failure than in markets in developed countries. Further, custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Company will not be recognised as the owner of securities held on its behalf by a sub-custodian.

With respect to any Developing/Emerging Market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Company, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the Funds' investments in those countries. Further, the economies of developing/emerging countries generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### **Dealing in securities via Stock Connect**

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

There can be no assurance that an active trading market for eligible China A Shares listed on the relevant PRC stock exchange will develop or be maintained and thus the performance of the Fund may be adversely affected depending on the Fund's size of investment in securities through Stock Connect. The relevant regulations are subject to change. Stock Connect is subject to quota limitations which may restrict the Fund's ability to deal via Stock Connect on a timely basis. This may impact the Fund's ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of RMB 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK except for listed shares which are not traded in RMB and/or which are under 'risk alert' or under delisting arrangements. Shareholders should further note that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the relevant Fund's ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

### ***Beneficial owner of SSE/SZSE Shares***

Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the Company may purchase and hold China A Shares listed on the SSE or the SZSE, and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK. The Company trades China A Shares through its broker who is a SEHK exchange participant. These China A Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds China A Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depository in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of China A Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that China A Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in China A Shares in Mainland China. Foreign investors like a Fund investing through Stock Connect holding the China A Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only. As a result, the Fund's assets held by HKSCC as nominee (via any relevant brokers' or custodians' accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the relevant Fund.

#### *Quota restrictions*

Investments into Stock Connect are subject to a daily quota that limits the maximum value of net buy trades that can be executed on each trading day. The daily quota, which are utilised on a "first come – first served" basis, will be reset every day. Unused daily quota will not be carried over to next day's daily quota and may change from time to time without prior notice.

Such quota and other limitations may restrict a Fund's ability to invest in or dispose of Stock Connect securities on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Buying services will be resumed on the following trading day.

#### *Not protected by Investor Compensation Fund*

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

#### *Differences in trading days and trading hours*

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two Mainland China markets, SSE and SZSE, and HKSE. Stock Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So, it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong.

The Investment Manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

#### *Recalling of eligible stocks and trading restrictions*

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager. The Investment Manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/SZSE and HKSE.

Under Stock Connect, the Investment Manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; (iii) the corresponding China H Share of the China A Share subsequently ceases to be traded on SEHK and/or (iv) in respect of SZSE shares only, such shares, based on any subsequent periodic review, that are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that price fluctuation limits would be applicable to China A Shares.

### *Trading costs*

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Fund(s) carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

### *Local market rules, foreign shareholding restrictions and disclosure obligations*

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A Shares.

Under the current Mainland China rules, once an investor holds or controls up to 5% of the shares of a company listed on either the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company.

After that, the investor is also required to make disclosure within three working days every time a change in his shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not trade the shares of that company. Overseas investors holding China A Shares via Stock Connect are subject to the following restrictions (i) shares held by a single foreign investor investing in a listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total China A Shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in a listed company must not exceed 30% of the total issued China A Shares of such listed company. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to unwind their positions on the excessive shareholding according to a last-in-first-out basis within five trading days.

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

According to existing Mainland China practices, a Fund being the beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

### *Currency risks*

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

### *Ownership of Stock Connect securities*

Stock Connect securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect securities are not available under the Northbound trading for Funds investing into such securities.

The relevant Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the courts of the PRC would recognise the ownership interest of the investors to allow them standing to take legal action against entities of the PRC in case disputes arise. This is a complex area of law and investors should seek independent professional advice.

### *Risk of ChinaClear default*

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the concerned Fund should be aware of this arrangement and of this potential exposure before engaging in trading SSE/SZSE shares.

#### *Risk of HKSCC default*

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

#### *General Market Risk*

Investing in China A Shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability of the stock market in the PRC.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

### **Forward Foreign Exchange Contracts**

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of electronically linked participants. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

### **Clearing House Protections**

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the Company's behalf) is "guaranteed" by the exchange, clearing house or central counterparty clearing house ("CCP"). However, this guarantee is unlikely in most circumstances to cover the Company and may not protect the Company if a broker or another party defaults on its obligations to the Company. In particular, there is a risk that a clearing member or other person through whom trades are cleared may default or become insolvent. There is also a risk that the clearing house or CCP itself may default or become insolvent.

While on a clearing member default, positions and the associated collateral value may be capable of being transferred to, or replaced by new trades with, a substitute clearing member, there can be no guarantee that this will occur. The associated collateral value transferred to a substitute clearing member may not be of the same type as the Company has transferred in respect of a particular Fund's positions and may not reflect the full amount of the relevant Fund's exposure to the clearing member.

However, a substitute clearing member may not accept the positions and, in such event, the positions may be closed out and the resulting collateral balance paid to the relevant Fund. The collateral returned may not be of the same type as the collateral originally transferred to the clearing member. The collateral balance ultimately received may not reflect the full amount of the relevant Fund's exposure to the clearing member. The closing out of positions may also cause a

breach of the relevant Fund's Investment Objective, Investment Policy and/or investment restrictions and may result in a reduction in the ability to hedge the currency exposure of the relevant Fund.

Where a clearing house or CCP itself defaults or becomes insolvent, the consequences are hard to predict and will depend in part on the jurisdiction and rules of the relevant clearing house or CCP. However, the consequences can be expected to be significant. Loss of positions and associated collateral is likely and there may be significant delays in any assets being returned.

### **Profit Sharing**

In addition to receiving a monthly management company fee for the provision of its services, the Management Company may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee (if any) will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised. The Performance Fee (if any) may be shared with the Investment Manager.

The Performance Fee (if any) may create an incentive for the Investment Manager to make investments for a Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Fund.

### **Interest Rate Risk**

The Company is subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. In a low nominal interest rate environment such decreases in value may be more pronounced. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Company may attempt to minimise the exposure of the portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes on the portfolio.

### **Exposure to an Index and Anticipated Level of Tracking Error**

Where a Fund seeks to track the performance of an index, the index methodology used to select the underlying components and the weights allocated to each such component will generally operate formulaically within predetermined rules. There can be no assurance that the index methodology will have the effect of selecting components with the optimal performance over any period. The index methodology may result in negative performance and/or deviate materially from historical performance. There will generally be no active management to amend the index methodology or otherwise attempt to mitigate negative performance. The index sponsor will generally be under no obligation to take into account the interests of any Fund or its Shareholder. Similarly, the Management Company will generally implement a largely passive investment strategy to take exposure to the performance of the index. Unless otherwise stated in its investment objective, the Fund will not seek to obtain a profit from, or to reduce losses caused by, changes in the value of the components of the index. As a result, it is likely that the performance of a Fund will be adversely affected by a decline in the price of components of the index.

A Fund that references an index may have been granted a licence by the index sponsor to use such index and to use certain trademarks and copyrights. In such circumstances, a Fund may not be able to fulfil its objective and may be terminated if the licence agreement between the Fund and the relevant index sponsor is terminated. A Fund may also be terminated if the index ceases to be compiled or published and there is no replacement index using the same or substantially similar index methodology. The sponsor of an index may add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of components of any index may affect the level of such index, which in turn may affect the value of any Fund that has invested therein.

Where a Fund seeks to track the performance of an index, such Fund will seek to achieve a return which reflects the return of its index as published by the relevant index provider. While index providers do provide descriptions of what each index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, nor any guarantee that the published indices will be in line with their described index methodologies. Errors in respect of the quality, accuracy and completeness of the data, and/or miscalculations of the levels of an index, may occur from time to time. Errors and miscalculations may potentially result in a negative or positive performance impact to the Fund and its Shareholders. In



situations where, subsequent to the initial publication of the index for any day and subsequent to the release of the Net Asset Value for that day, the index components or levels are revised, the Net Asset Value of the Fund for that day will not be amended.

The Fund may potentially be subject to tracking error risk, which is the risk that, from time to time, its returns may not track exactly those of the index tracked. In particular, where a Fund seeks to track the performance of an index through physical replication (following a full, sampled or optimised replication model) there is no guarantee that it will achieve perfect tracking of the index. Where the index of a Fund is rebalanced (on scheduled rebalancing dates or on ad hoc occasions in order, for example, to correct an error), the Management Company will, in turn, seek to adjust the portfolio composition of the Fund to bring it in line with its index. A certain period of time may elapse between any rebalancing of the index and the corresponding adjustment being made to the composition of the Fund's portfolio, and any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the Fund and its Shareholders. Additional factors that are likely to affect the ability of the Fund to track the performance of the index include, but are not limited to, local trading restrictions, regulatory considerations, tax considerations, costs and fees incurred by the Fund (such as transaction costs), differences in the weights held in individual securities to that of the index, subscriptions and redemptions, small amounts of cash not being invested in securities, Efficient Portfolio Management techniques and such other factors as may be described in the relevant Supplement.

It may not be practical or cost efficient for an index-tracking Fund using physical replication to track an index following a full replication model. A Fund may use sampling or optimisation techniques to track the performance of the index, which techniques may include the strategic selection of some (rather than all) of the securities that make up the index, holding securities in proportions that differ from the proportions of the index and/or the use of financial derivative instruments to track the performance of certain securities that make up the index. The Management Company may also select securities which are not underlying components of the relevant index where such securities have a substantially similar risk and return profile to certain securities comprised in the index.

### **Frequent Trading and Turnover**

Additional transaction costs have an adverse effect on a Fund's performance. Such transaction costs will be incurred where the Investment Manager makes frequent trades in futures, options on futures, forwards, swaps, currencies, securities and other investments because more frequent trading typically results in higher transaction costs. In addition, a Fund may invest on the basis of short-term market considerations resulting in a turnover rate within the Fund which may be significant and potentially involve substantial brokerage commissions, fees and other transaction costs.

### **Commodities Risk**

Where specified in the Supplements, certain Funds may invest in instruments providing exposure to the commodities market, including financial derivative instruments referencing commodities indices and financial instruments or funds linked to, or backed by the performance of, commodities. Investments in derivatives related to commodities can be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of commodities derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant commodity, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of commodities may also affect the prices of futures contracts in respect of the relevant commodity.

### **Listing**

The Directors may decide to submit an application for the admission to the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange of any Share Class. The Directors do not expect that an active secondary market will develop in any listed Shares on the Euro MTF market of the Luxembourg Stock Exchange. The listing of the listed Shares on the Official List and the admission to trading on the Euro MTF market of the Luxembourg Stock Exchange does not constitute a warranty or representation by the Luxembourg Stock Exchange as to the competence of the service providers to or any other party connected with the Company or the suitability of the Company for investment or for any other purpose.

## 16. CONFLICTS OF INTEREST

The Directors, the Management Company, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the “**Relevant Parties**”) may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly and in accordance with applicable laws and regulations. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. Any Relevant Party may deal with the Company as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Investment Management Agreement, the Management Agreement, the Administration Agreement and the Depositary Agreement, to the extent applicable.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Funds. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Funds or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities fairly between the Company and other clients.

In calculating a Fund’s Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager or any sub-investment manager in determining the Net Asset Value of a Fund and the entitlement of the Investment Manager or any sub-investment manager to a management fee which is calculated on the basis of the Net Asset Value of the Fund.

The Management Company has adopted mechanisms to identify and address any conflict of interest in accordance with applicable laws and regulations. The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

## 17. USE OF DEALING COMMISSIONS

### *Inducements*

The Management Company is subject to inducement rules set out in the UCITS Directive/regulations and MiFID II pursuant to which it will not be regarded as acting honestly, fairly and in accordance with the best interests of the Company or its Shareholders if, in relation to the activities performed when carrying out its functions it pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than those permitted in the UCITS Directive/regulations and MiFID II e.g. a fee, commission or non-monetary benefit paid by or on behalf of a third party where the Management Company can demonstrate (i) the existence, nature and amount of the fee, commission or benefit and (ii) the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the Management Company's duty to act in the best interests of the Company or its Shareholders.

### *MiFID Authorised Investment Managers*

In accordance with its obligations under MiFID II, the Investment Manager shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the Investment Manager to the Fund as soon as reasonably possible after receipt.

In particular, where the Investment Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, permitted derivative instruments or techniques and instruments for the Company or a Fund, the rebated commission shall be paid to the Company or the relevant Fund as the case may be.

The Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the Investment Manager from complying with its obligation to act in the best interests of the Fund, provided they are disclosed to the Company prior to the provisions of investment management services by that entity.

The Investment Manager may only receive third-party investment research, provided it is received on such basis that it does not contravene MiFID II or FCA Rules.

Investment research will not constitute an inducement under MiFID II where it is paid for by the Investment Manager itself out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund. In this regard, the Investment Manager will discharge the charges relating to investment research which is or may be used by the Investment Manager in managing the assets of the Company out of its own resources.

## 18. CO-MANAGEMENT AND POOLING

To ensure effective management of the Company, the Directors may, to the extent permitted by applicable laws and regulations, decide to manage all or part of the assets of one or more Funds with those of other Funds in the Company (so-called “pooling”) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Funds with the assets of other Luxembourg investment funds or of one or more funds of other Luxembourg investment funds (hereinafter referred to as the “**Party(ies) to the co-managed assets**”) for which the Company’s Depositary is the appointed custodian bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party’s rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Fund of the Company, when such a Fund takes part in co-management and even if the Investment Manager has complied with the investment restrictions applicable to the co-managed assets in question, the Investment Manager shall reduce the investment in question in proportion to the participation of the Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Fund.

When the Company is liquidated or when the Directors of the Company decide to withdraw the participation of the Company or a Fund of the Company from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same custodian bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Fund of the Company will be constantly identifiable.

## 19. GENERAL INFORMATION

### 19.1 Shareholder meetings and reports to Shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Fund) shall be mailed to each Shareholder at least eight (8) days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Directors.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the *Recueil Electronique des Sociétés et Associations* ("RESA").

Detailed audited reports of the Company on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, the combined accounts relating to all the Funds, a detailed description of the assets of each Fund and a report from the Auditor.

The semi-annual unaudited reports of the Company on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Fund and the number of Shares issued and redeemed since the last publication.

The Company's financial statements will be prepared in accordance with Luxembourg GAAP<sup>1</sup>.

The aforementioned documents will be at the disposal of the Shareholders within four (4) months for the annual reports and two (2) months for the semi-annual reports of the date thereof at the registered office of the Company. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the Company.

The accounting year of the Company commences on 1 January of each year and terminates on 31 December of each year. The first accounting year of the Company started on the launch date of the Company and will terminate on 31 December 2013. The Company will publish an annual report as of 31 December and a semi-annual report drawn up as of 30 June in each year. The first audited report will be published as of 31 December 2013. A first semi-annual report will be published as of 30 June 2014.

The annual general meeting takes place in Luxembourg City at a place specified in the notice of meeting each year on the last Tuesday of April at 11.00 am CET. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

The Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Fund.

The combined accounts of the Company are maintained in Euro being the Reference Currency of the Company. The financial statements relating to the separate Funds shall also be expressed in the Reference Currency of the relevant Fund.

### 19.2 Dissolution and Liquidation of the Company

The Company may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Directors. The general

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<sup>1</sup> From the launch of the Company until the semi-annual report for the period ended 30 June 2015, the Company's financial statements were prepared in accordance with IFRS. As from the annual accounts for the period ended 31 December 2015, the Company's financial statements are prepared with Luxembourg GAAP.

meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty (40) days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Fund shall be distributed by the liquidators to the holders of Shares of each Class of the relevant Fund in proportion to their holding of such Class.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of Luxembourg law. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the “*Caisse de Consignation*” at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

### 19.3 Closure of Funds and Classes

#### Closure decided by the Directors

In the event:

- (A) that for any reason the value of the total net assets in any Class or Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for such Class or Fund to be operated in an economically efficient manner;
- (B) of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; or
- (C) that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

the Directors may decide to redeem all the Shares of the relevant Class or Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Point at which such decision shall take effect and therefore close the relevant Fund.

The Company shall give a written notice to the Shareholders of the relevant Class or Fund prior to the date on which the compulsory redemption is to become effective, which will indicate the reasons and the procedure for such redemption operations. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Class or the Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

#### Closure decided by the Shareholders

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the Shareholders of any Class or Fund acting at a general meeting of the Shareholders of such Class or Fund may, upon a proposal from the Directors, require the redemption of all the Shares of the relevant Class or Fund and the refunding to the relevant Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Point at which such decision shall

take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

### Consequences of the closure

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* for the period required by Luxembourg law on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation of the last remaining Fund of the Company will result in the liquidation of the Company as referred to in Article 145(1) of the UCI Law.

## 19.4 Mergers and divisions

### Mergers

In the event:

- (A) that for any reason the value of the total net assets of the Company or in any Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for the Company or such Fund to be operated in an economically efficient manner;
- (B) of a change in the political, economic or monetary situation or as a matter of economic rationalisation; or
- (C) that the Directors otherwise consider the merger of the Company and/or the relevant Fund and/or a Class to be in the best interests of the Shareholders, the Directors may decide to proceed with a merger (as defined by the UCI Law) of the assets of the Company or any Fund with those of (i) another existing Fund within the Company or another sub-fund of another Luxembourg or foreign UCITS (the “**new sub-fund**”) or of (ii) another Luxembourg or foreign UCITS (the “**new UCITS**”), and to re-designate the Shares of the Company or the Fund concerned as Shares of the new UCITS or the new sub-fund, as applicable.

The Directors will decide on the effective date of the merger it has initiated.

Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project to be established by the Directors and the information to be provided to the Shareholders.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to any Fund with another Fund within the Company may be decided upon by a general meeting of the Shareholders of the Fund concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolutions taken by simple majority vote of the Shareholders validly cast. The general meeting of the Shareholders of the Fund concerned will decide on the effective date of such a merger it has initiated within the Company, by resolution taken with no quorum requirement and adopted at a simple majority of the Shares present or represented at such meeting.

The Shareholders may also decide a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to the Company or any Fund with the assets of any new UCITS or new sub-fund within another UCITS. Such a merger and the decision on the effective date of such a merger shall require resolutions of the shareholders of the Company or Fund concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented at such meeting, except when such a merger is to be implemented with a Luxembourg UCITS of the contractual type (“*fonds commun de placement*”), in which case resolutions shall be binding only on such Shareholders who have voted in favour of such merger. If the merger is to be implemented with a Luxembourg UCITS of the contractual type (“*fonds commun de placement*”), Shareholders who have not voted in favour of such merger will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to

the Company. The assets which may not or are unable to be distributed to such Shareholders for whatever reason will be deposited with the *Caisse de Consignation* for the period required by Luxembourg law on behalf of the persons entitled thereto.

Where the Company is the absorbed entity, which thus ceases to exist, irrespective of whether the merger is initiated by the Directors or by the shareholders, the general meeting of Shareholders of the Company must decide the effective date of the merger. Such general meeting is subject to a quorum requirement of 50% of the Shares in issue and to a 2/3 majority vote of the Shareholders present or represented.

In the same circumstances as described above for the merger of Funds, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to merge a Share Class into one or more other Share Classes of the same Fund. The Company shall give a written notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Share Class or Classes will be entitled to request redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to merge one or more Share Classes with one or more other Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

## 19.5 Divisions

In the event:

- (A) that the Directors determine that the division of two or more Funds is in the best interests of the Shareholders of the relevant Funds; or
- (B) of a change in the political, economic or monetary situation relating to the relevant Fund or as a matter of economic rationalisation, one Fund may be reorganised, by means of a division into two or more Funds.

The Company shall give a written notice to the Shareholders of the relevant Fund one month prior to the date on which such division is to become effective, which will indicate the reasons for and the procedure of such division. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the division.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund may, upon a proposal from the Directors, approve the division of the relevant Fund into two or more Funds. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

In the same circumstances as described above for the division of Funds, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. The Company shall give a written notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Share Class or Classes will be entitled to request redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.



Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

## 19.6 Directors' Interests

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

- (A) Eve Finn is an employee of Legal & General Investment Management (Holdings) Limited, which is the parent company of the Investment Manager and the Management Company. Eve Finn is also appointed as the managing director of the Management Company. Eve Finn waives her directors' fees.
- (B) Adel Malcolm is an employee of Legal & General Investment Management (Holdings) Limited, which is the parent company of the Investment Manager and the Management Company. Adel Malcolm waives her directors' fees.
- (C) Michèle Eisenhuth is a partner at Arendt & Medernach S.A. which is the Luxembourg legal advisor of the Company.
- (D) The Directors or companies of which they are officers or employees may subscribe for Shares in the Company. Their applications for Shares will rank *pari passu* with all other applications.

## 19.7 Indemnity

The Articles provide that every Director, agent, auditor, or officer of the Company and his personal representatives shall be indemnified and secured harmless out of the assets of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his having joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the Company; or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence, wilful misconduct or fraud against the Company.

## 19.8 General

Copies of the following documents may be obtained free of charge during usual business hours on any full bank business day in Luxembourg at the registered office of the Company:

- (A) the Articles and any amendments thereto;
- (B) the latest Prospectus;
- (C) the latest KIID; and
- (D) the latest reports and accounts referred to under the heading "Shareholder meetings and reports to Shareholders".

## APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS

The Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Fund, the Reference Currency of a Fund and the course of conduct of the management and business affairs of the Company.

Except to the extent that more restrictive rules are provided for in connection with a specific Fund under the relevant Supplement, the investment policy shall comply with the investment rules and restrictions laid down hereafter:

### 1. Permitted Investments

The investments of a Fund must comprise only one or more of the following:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public;
- 1.3 Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public;
- 1.4 recently issued Transferable Securities and Money Market Instruments, provided that:
  - (A) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1 to 1.3 above;
  - (B) such admission is secured within one year of issue;
- 1.5 units of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
  - (A) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (B) 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 asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (C) the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - (D) 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, be invested in aggregate in units of other UCITS or other UCIs;
- 1.6 deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- 1.7 financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in over-the-counter (“over-the-counter derivatives” / “OTC”), provided that:

- (A) - the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objectives;
- the counterparties to over-the-counter derivative transactions are institutions (such as credit institutions or investment firms) subject to ongoing prudential supervision, belonging to the categories approved by the CSSF and specialised in the relevant type of transaction;
- the over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- exposure to the underlying assets does not exceed the investment restrictions set out in 2.13 below.

When selecting and appointing counterparties and prime brokers with respect to the Company or its Funds, the Management Company is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services.

When selecting prime brokers or counterparties in an OTC derivatives transaction, the Management Company undertakes an appropriate internal credit assessment which shall include amongst other considerations, external credit ratings of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. The Management Company is also required to ensure that those prime brokers and counterparties fulfil all of the following conditions:

- (a) they are financially sound;
- (b) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the Company / the Management Company.

In addition, the identity of the counterparties will be disclosed in the annual report of the Company.

A Fund may use one or more total return swaps for hedging or investment purposes, in accordance with the conditions set out in this Appendix and the investment objective and policy of the relevant Fund, as set out in its Supplement. Where total return swaps are used for hedging purposes the underlying will consist of bonds.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

The principal amount of a Fund's assets that can be subject to total return swaps may represent up to a maximum of 110% of the Net Asset Value of the relevant Fund. Under normal circumstances, and except as otherwise stated in a Supplement, it is generally expected that the notional amount of such total return swaps will not exceed 60% of a Fund's Net Asset Value. In certain circumstances this proportion may be higher.

- (B) Under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

1.8 Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the Definitions section of this Prospectus, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- (A) 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 of the EU belong, or
- (B) issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in 1.1, 1.2 or 1.3 above, or

- (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
- (D) issued by other bodies 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 ten million Euro (EUR 10,000,000) 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.

1.9 Shares issued by one or several other Funds of the Company (the “**Target Fund**”), under the following conditions:

- (A) the Target Fund does not invest in the investing Fund;
- (B) not more than 10 % of the assets of the Target Fund may be invested in other Funds of the Company;
- (C) the voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment;
- (D) in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
- (E) there is no duplication of management/subscription or repurchase fees between those at the level of the Fund of the Company having invested in the Target Fund and the Target Fund.

1.10 However, each Fund:

- (A) shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.4 and 1.8 above;
- (B) shall not acquire either precious metals or certificates representing them;
- (C) may hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the Shareholders;
- (D) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (E) may borrow (i) up to 10% of its net assets, on a temporary basis and (ii) may borrow up to 10 % of its net assets to enable the acquisition of immovable property essential for the direct pursuit of its business. Where a Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its net assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction; and
- (F) may acquire foreign currency by means of a back-to-back loan.

## 2. Investment Restrictions

2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7 and 2.10 below, companies which are included in the same Group of Companies are regarded as a single issuer.

2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the

creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

## Transferable Securities and Money Market Instruments

- 2.3 No Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if:
- (A) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
  - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and over-the-counter derivative transactions made with financial institutions subject to prudential supervision.
- 2.4 A Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- 2.5 The limit of 10% set forth above under 2.3(A) above is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Non-Member State or by a public international body of which one or more Member State(s) are member(s).
- 2.6 The limit of 10% set forth above under 2.3(A) above is increased to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.
- 2.7 The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth under 2.3(B) above.
- 2.8 Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD such as the US, by certain non-Member States of the OECD (currently Brazil, Indonesia, Russia and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) (collectively, “Public Issuers”), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.
- 2.9 When investing in financial derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, the diversification requirements set out in the preceding paragraph do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in financial derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Fund’s net assets.
- 2.10 Without prejudice to the limits set forth hereunder under 2.23 and 2.24 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- (A) the composition of the index is sufficiently diversified,
  - (B) the index represents an adequate benchmark for the market to which it refers,

(C) it is published in an appropriate manner.

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

## Bank Deposits

2.11 A Fund may not invest more than 20% of its net assets in deposits made with the same body.

## Derivative Instruments

2.12 The risk exposure to a counterparty in over-the-counter derivative transactions and efficient portfolio management techniques (as described below) may not exceed 10% of the Fund's net assets when the counterparty is a credit institution referred to in 1.6 above or 5% of its net assets in other cases.

2.13 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits set out above.

2.14 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

## Units of open-ended funds

2.15 Unless otherwise provided in a Fund's specific part of this Prospectus, a Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Fund's net assets.

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

2.17 A Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the UCITS and/or other UCIs in which it invests.

## Master-Feeder structure

2.18 Each Fund may act as a feeder fund (the "**Feeder**") of a master fund. In such case, the relevant Fund shall invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the "**Master**"), which is not itself a Feeder nor holds units/shares of a Feeder. The Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

(A) ancillary liquid assets in accordance with Article 41 second indent of second paragraph of the UCI Law;

(B) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 first indent, point g) and Article 42 second and third indents of the UCI Law;

(C) movable and immovable property which is essential for the direct pursuit of the Company's business.

- 2.19 When a Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the shares/units of the Master.
- 2.20 A Feeder Fund that invests into a Master shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Feeder Fund itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

### 3. Combined limits

- 3.1 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:
- (A) investments in Transferable Securities or Money Market Instruments issued by that body,
  - (B) deposits made with that body, and/or
  - (C) exposures arising from over-the-counter derivative transactions undertaken with that body and efficient portfolio management techniques.
- 3.2 The limits set out in 2.3, 2.5, 2.6, 2.11 and 2.12 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.11 and 2.12 above may not exceed a total of 35% of the net assets of each Fund.
- 3.3 The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 3.4 The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI.

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

- 3.5 The limits set forth above under 2.22 and 2.23 do not apply in respect of:
- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
  - (B) Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
  - (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members; or
  - (D) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23;

- (E) shares held by one or more Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of Shareholders exclusively on its or their behalf.

#### **4. Global Exposure**

Unless otherwise disclosed in the relevant Supplement, each Fund shall employ a Value-at-Risk model in determining its global exposure to financial derivative instruments and will ensure that such global exposure does not exceed the limits as set out in the CSSF Circular 11/512 of 30 May 2011.

A Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. 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.

#### **5. Additional investment restrictions:**

- 5.1 No Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- 5.2 No Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 5.3 The investment policy of a Fund may replicate the composition of an index of securities or debt securities, in compliance with applicable laws and regulations, in particular, the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive and ESMA Guidelines 2014/937.
- 5.4 A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Fund from investing in Transferable Securities which are not fully paid-up, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending and Borrowing' below).
- 5.5 The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.
- 5.6 The ceilings set forth above may be disregarded by each Fund when exercising subscription rights attaching to securities in such Fund's portfolio.
- 5.7 If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.
- 5.8 The Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

#### **6. Efficient portfolio management techniques and instruments**

##### **6.1 General**

The Company may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management purposes which include hedging. Where these techniques are used, the underlying will consist of bonds.



Under no circumstances shall these operations cause a Fund to diverge from its investment objectives as set out in the relevant Supplement.

## 6.2 Repurchase agreements and reverse repurchase agreements

A Fund may enter into repurchase agreement and reverse repurchase agreement transactions which consist of the purchase and sale of securities whereby the seller has the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

A Fund can act either as purchaser or seller in repurchase agreement and reverse repurchase agreement transactions or a series of continuing repurchase and reverse repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- (A) a Fund may not buy or sell securities using a repurchase agreement or reverse repurchase agreement transaction unless the counterparty is an eligible counterparty as provided by the applicable laws and regulations and is permitted by the CSSF i.e. it is subject to ongoing prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

When selecting and appointing counterparties and prime brokers with respect to the Company or its Funds, the Management Company is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services.

When selecting prime brokers or counterparties in a repurchase agreement or reverse repurchase agreement, the Management Company undertakes an appropriate internal credit assessment which shall include amongst other considerations, external credit ratings of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. The Management Company is also required to ensure that those prime brokers and counterparties fulfil all of the following conditions:

- (a) they are financially sound;
- (b) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the Company / the Management Company.

In addition, the identity of the counterparties will be disclosed in the annual report of the Company;

- (B) as a Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement and reverse repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy;
- (C) a Fund that enters into a repurchase or reverse repurchase agreement must ensure that it is able at any time to terminate the repurchase or reverse repurchase agreement, as applicable, or recall any securities or the full amount of cash subject to the repurchase or reverse repurchase agreement respectively, unless the agreement is entered into for a fixed term not exceeding seven days.

The principal amount of a Fund's assets that can be subject to repurchase transactions / reverse repurchase transactions may represent up to a maximum of 100% of the Net Asset Value of the relevant Fund. Under normal circumstances, and except as otherwise stated in a Supplement, it is generally expected that the notional amount of such repurchase transactions or reverse repurchase transactions will not exceed 60% of a Fund's Net Asset Value. In certain circumstances this proportion may be higher.

## 6.3 Securities Lending

To the extent permitted by applicable laws and regulations, the Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to ongoing prudential

supervision rules which are considered by the CSSF as equivalent to those provided by EU law, in exchange for a securities lending fee.

When selecting and appointing counterparties and prime brokers with respect to the Company or its Funds, the Management Company is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services.

When selecting prime brokers or counterparties in a securities lending transaction, the Management Company undertakes an appropriate internal credit assessment which shall include amongst other considerations, external credit ratings of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. The Management Company is also required to ensure that those prime brokers and counterparties fulfil all of the following conditions:

- (a) they are financially sound;
- (b) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the Company / the Management Company.

In addition, the identity of the counterparties will be disclosed in the annual report of the Company.

A Fund that enters into a securities lending agreement must ensure that it is able at any time to terminate the agreement or recall the securities that have been lent out.

## **7. Fees and costs arising from efficient portfolio management techniques and total return swaps**

Each Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Company. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Fund.

Each Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Company.

## **8. Collateral policy for OTC derivatives and for efficient portfolio management techniques**

Risk exposure to a counterparty to OTC derivatives and/or efficient portfolio management techniques will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarised in this section. All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques are considered as collateral for the purpose of this section.

Where the Company on behalf of a Fund enters into OTC financial derivative transactions and/or efficient portfolio management techniques, all collateral received by the Fund must comply with the criteria listed in ESMA Guidelines 2014/937 in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. Reinvested cash collateral will be diversified in accordance with this requirement. By way of derogation, a Fund may take an exposure up to 100% of its Net Asset Value in Transferable Securities and Money Market Instruments issued or guaranteed by a Public Issuer (as defined under 2.8 above), provided that such

securities are part of a basket of collateral comprised of at least six different issues and the securities from any one issue do not account for more than 30% of the Fund's Net Asset Value.

Permitted types of collateral include cash and government bonds.

In respect of any Fund which has entered into OTC derivatives and/or efficient portfolio management techniques, investors in such Fund may obtain free of charge, on request, a copy of the report detailing the composition of the collateral at any time.

The Company will determine the required level of collateral for OTC derivatives and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. OTC derivatives will generally be collateralised up to 100% of their positive mark-to-market value. The level of collateralisation may vary in function of the type of collateral posted at any time.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Management Company. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

On the basis of the Management Company's haircut policy at the time of writing, the Company expects to apply the following haircuts. The policy and haircuts themselves are subject to change. Any changes will be communicated to investors by way of an update to this Prospectus:

Acceptable Collateral

	Cash	German, French and Dutch Government Debt	UK Government Debt	US Government Debt
L&G Buy and Maintain Credit Fund	GBP	No	Yes	No
L&G Euro Corporate Bond Fund	Euro	Yes	No	No
L&G Euro High Alpha Corporate Bond Fund	Euro	Yes	No	No
L&G Global High Yield Bond Fund	USD	Yes	Yes	Yes
L&G Absolute Return Bond Plus Fund	USD	Yes	Yes	Yes
L&G Absolute Return Bond Fund	GBP	No	Yes	No
L&G UK Core Plus Bond Fund	GBP	No	Yes	No
L&G Emerging Markets Bond Fund	USD	No	No	Yes
L&G Emerging Markets Short Duration Bond Fund	USD	No	No	Yes
L&G Commodity Index Fund	USD	No	No	Yes
L&G Future World Global Credit Fund	USD	Yes	Yes	Yes
L&G Future World Global Equity Focus Fund	USD	Yes	Yes	Yes
L&G Multi-Asset Target Return Fund	EUR	Yes	Yes	Yes
L&G Euro Buy and Maintain Credit Fund	EUR	Yes	Yes	Yes

Haircut Level (valuation percentage)

		Residual Maturity			
		0–1 year	1–5 years	5–10 years	Over 10 years
Cash	100%				
German, French and Dutch Government Debt		95 – 99.5%	90 – 98.5%	90 – 98%	88 – 97%
UK Government Debt		95 – 99.5%	90 – 98.5%	90 – 98%	86 – 97%

US Government Debt		95 – 99.5%	90 – 98.5%	90 – 98%	88 – 97%
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Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Company. 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.

Non-cash collateral received cannot be sold, reinvested or pledged. Cash collateral received can only be:

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions in compliance with section 5.2 provided the Company is able to recall at any time the full amount of cash on accrued basis; or
- invested in eligible short-term money market funds.

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

A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Where a Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 and/or any additional guidance issued from time to time by the CSSF in relation to the above.

## APPENDIX 2: UCITS DIRECTIVE REMUNERATION REQUIREMENTS

### Article 14a of the UCITS Directive

1. Member States shall require management companies to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that they manage nor impair compliance with the management company's duty to act in the best interest of the UCITS.
2. The remuneration policies and practices shall include fixed and variable components of salaries and discretionary pension benefits.
3. The remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management companies or of the UCITS that they manage.
4. In accordance with Article 16 of Regulation (EU) No 1095/2010, ESMA shall issue guidelines addressed to competent authorities or to financial market participants concerning the persons referred to in paragraph 3 of this Article and the application of the principles referred to in Article 14b of the UCITS Directive. Those guidelines shall take into account the principles on sound remuneration policies set out in Commission Recommendation 2009/384/EC<sup>2</sup>, the size of the management company and the size of the UCITS that they manage, their internal organisation, and the nature, scope and complexity of their activities. In the process of the development of those guidelines, ESMA shall cooperate closely with the European Supervisory Authority (European Banking Authority) ('EBA'), established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council<sup>3</sup>, in order to ensure consistency with requirements developed for other financial services sectors, in particular credit institutions and investment firms.

### Article 14b of the UCITS Directive

1. When establishing and applying the remuneration policies referred to in Article 14a of the UCITS Directive, management companies shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:
  - (a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the management company manages;
  - (b) the remuneration policy is in line 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 includes measures to avoid conflicts of interest;
  - (c) the remuneration policy is adopted by the management body of the management company in its supervisory function, and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation; the tasks referred to in this point shall be undertaken only by members of the management body who do not perform any executive functions in the management company concerned and who have expertise in risk management and remuneration;

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<sup>2</sup> Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector (OJ L 120, 15.5.2009, p. 22).

<sup>3</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/ 2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

- (d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the management body in its supervisory function;
- (e) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (f) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the remuneration committee, where such a committee exists;
- (g) where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or UCITS concerned and as to their risks and of the overall results of the management company when assessing individual performance, taking into account financial and non-financial criteria;
- (h) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the management company in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (i) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement;
- (j) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- (k) payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;
- (l) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- (m) subject to the legal structure of the UCITS and its fund rules or instruments of incorporation, a substantial portion, and in any event at least 50 %, of any variable remuneration component consists of units of the UCITS concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this point, unless the management of the UCITS accounts for less than 50 % of the total portfolio managed by the management company, in which case the minimum of 50 % does not apply.

The instruments referred to in this point shall be subject to an appropriate retention policy designed to align incentives with the interests of the management company and the UCITS that it manages and the investors of such UCITS. Member States or their competent authorities may place restrictions on the types and designs of those instruments or ban certain instruments as appropriate. This point shall apply to both the portion of the variable remuneration component deferred in line with point (n) and the portion of the variable remuneration component not deferred;

- (n) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the investors of the UCITS concerned and is correctly aligned with the nature of the risks of the UCITS in question.

The period referred to in this point shall be at least three years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60 % of the amount shall be deferred;

- (o) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the management company as a whole, and justified according to the performance of the business unit, the UCITS and the individual concerned.

The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the management company or of the UCITS concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;

- (p) the pension policy is in line with the business strategy, objectives, values and long-term interests of the management company and the UCITS that it manages.

If the employee leaves the management company before retirement, discretionary pension benefits shall be held by the management company for a period of five years in the form of instruments referred to in point (m). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments referred to in point (m), subject to a five-year retention period;

- (q) staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements;
- (r) variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in this Directive.

2. In accordance with Article 35 of Regulation (EU) No 1095/2010, ESMA may request information from competent authorities on the remuneration policies and practices referred to in Article 14a of the UCITS Directive.

ESMA shall, in close cooperation with EBA, include in its guidelines on remuneration policies provisions on how different sectoral remuneration principles, such as those set out in Directive 2011/61/EU of the European Parliament and of the Council<sup>4</sup> and in Directive 2013/36/EU of the European Parliament and of the Council<sup>5</sup>, are to be applied where employees or other categories of personnel perform services subject to different sectoral remuneration principles.

3. The principles set out in paragraph 1 shall apply to any benefit of any type paid by the management company, to any amount paid directly by the UCITS itself, including performance fees, and to any transfer of units or shares of the UCITS, made for the benefit of those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on their risk profile or the risk profile of the UCITS that they manage.
4. Management companies that are significant in terms of their size or of the size of the UCITS that they manage, their internal organisation and the nature, scope and complexity of their activities shall establish a remuneration committee. The remuneration committee shall be constituted in a way that enables it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk.

The remuneration committee that is, where appropriate, set up in accordance with the ESMA guidelines referred to in Article 14a(4) of the UCITS Directive shall be responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk and risk management of the management company or the UCITS concerned and which are to be taken by the management body in its supervisory function. The remuneration committee shall be chaired by a member of the management body who does not perform any executive functions in the management company concerned. The members of the remuneration committee shall be members of the management body who do not perform any executive functions in the management company concerned.

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<sup>4</sup> Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

<sup>5</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).



If employee representation on the management body is provided for by national law, the remuneration committee shall include one or more employee representatives. When preparing its decisions, the remuneration committee shall take into account the long-term interest of investors and other stakeholders and the public interest.

## APPENDIX 3: SUB-CUSTODIANS

Country	Sub-custodian	Sub-custodian Delegate
Argentina	Citibank N.A. Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
Bosnia and Herzegovina-Federation of B & H	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina - Republic of Srpska	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Títulos e Valores Mobiliários S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China B	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria A.G.	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	
Denmark	Nordea Bank AB (publ)	
Egypt	Citibank, N.A., Cairo Branch	

Estonia	Swedbank AS	
Eswatini	Standard Bank Swaziland Ltd	Not applicable
Finland	Nordea Bank AB (publ)	
France	The Northern Trust Company	
Germany	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock Connect Shanghai/Shenshen)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	UniCredit Bank Hungary Zrt	
Iceland	Landsbankinn hf	
India	Citibank, N.A.	
Indonesia	Standard Chartered Bank	
Ireland	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
Israel	Bank Leumi Le-Israel B.M.	
Italy	Deutsche Bank SpA	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Standard Chartered Bank	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB Bankas	
Luxembourg**	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de México S.A. integrante del Grupo Financiero Banamex	
Morocco	Societe Generale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	

Netherlands	Deutsche Bank AG	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Nordea Bank AB (publ)	
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank, N.A. Karachi Branch	
Panama	Citibank, N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Polska Kasa Opieki Spółka Akcyjna	
Portugal	BNP Paribas Securities Services	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe plc	
Russia	AO Citibank	
Saudi Arabia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Deutsche Bank SAE	
Sri Lanka	Standard Chartered Bank	
Sweden	Svenska Handelsbanken AB (publ)	
Switzerland	Credit Suisse (Switzerland) Ltd.	
Taiwan	Bank of Taiwan	
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank, N.A., Bangkok Branch	
Tunisia	Union de Internationale de Banques	
Turkey	Deutsche Bank AG & Deutsche Bank A.S.	
Uganda	Standard Chartered Bank Uganda Limited	

United Arab Emirates - ADX	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates - DFM	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates - NASDAQ	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
Zambia	Standard Chartered Bank Zambia PLC	

Correct as at March 2019

- \* The Royal Bank of Canada serves as Northern Trust's subcustodian for securities not eligible for settlement in Canada's local central securities depository
- \*\* Euroclear is classified as an International Central Securities Depository (ICSD), not a subcustodian relationship

An up-to-date list can be found on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing) or on request from the Management Company.

## SUPPLEMENT 1: L&G EURO CORPORATE BOND FUND

The information contained in this Supplement in relation to L&G Euro Corporate Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EURO CORPORATE BOND FUND

#### Investment Objective

The Fund aims to produce a return derived from capital growth and income by investing predominantly in Euro denominated fixed income securities.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will invest predominantly in a variety of Euro denominated fixed interest instruments such as corporate bonds, other fixed or floating-rate debt securities and short-term debt securities. These may include asset-backed securities such as mortgage-backed securities (residential & commercial, consumer loans (for example, auto loans or credit loans), convertible securities and contingent convertible debt securities.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality.

The Fund may also invest in other fixed and variable rate debt securities which are denominated in any currency other than Euro as well as in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money Market Instruments.

Investments in fixed or variable rate debt securities (denominated in either Euro or non-Euro currencies) may include sovereign debt instruments, securities issued by government or other public bodies, subordinated debt instruments and secured debt instruments (i.e. bonds that are secured by assets).

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity of the portfolio, and therefore the Fund may be exposed to a limited number of issuers.

In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the instruments themselves. The financial derivative instruments that

	<p>the Fund may invest in include the following:</p> <p>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rates);</p> <p>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate or protecting the Fund against inflation or currency exposure); and</p> <p>(iv) single name and index credit default swaps (which will aim to protect the Fund in the event of a default or credit event on a particular investment or index).</p> <p>The currency exposures derived from non-Euro securities may be hedged to Euro in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This fund is designed for investors looking for growth and income from an investment in range of bonds (a type of loan which pays interest).</p> <p>Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u> As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is the Markit iBoxx Euro Corporate Index.</p> <p><u>Leverage</u> The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in</p>

	accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 200% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.
<b>Reference Currency</b>	Euro.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	€1	€1,000,000	€1,000,000	€100,000	0.30% NAV	Up to 0.40% NAV	0.01%
<b>Class P</b>	€1	€1,000	€1,000	€1,000	0.75% NAV	Up to 0.85% NAV	0.05%
<b>Class R</b>	€1	€1,000	€1,000	€1,000	0.40% NAV	Up to 0.50% NAV	0.05%
<b>Class X</b>	€1	€10,000,000	€10,000,000	€1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	€1	€10,000,000	€10,000,000	€100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 "Classes of Shares" of the Prospectus.

## Launch Date

The Fund was launched on 25 November 2013.



## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled "**Risk Factors**" and to the list of general risk factors set out under the sub-section 15.1 "General risk factors relevant to all of the Funds". In addition, the following risk factors set out under the sub-section 15.2 - "Specific risk factors relevant to certain of the Funds" will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging Markets, (xii) convertible securities, (xiii) contingent convertible debt securities and (xiv) interest rate risk.

It should be remembered that the value of Shares and the income (if any) derived from them may fall as well as rise and, on redemption, Shareholders may receive less than they originally invested.

## SUPPLEMENT 2: L&G UK CORE PLUS BOND FUND

The information contained in this Supplement in relation to L&G UK Core Plus Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G UK CORE PLUS BOND FUND

#### Investment Objective

The Fund aims to produce a return derived from capital growth and income by investing in fixed and floating rate securities.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing in a broad range of fixed income securities.

The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:

- government and supranational bonds (with variable interest repayment terms which may be fixed or floating, index-linked or inflation linked); and
- bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities, and contingent convertible debt securities;

provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated in Sterling, Euro and US Dollar.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality. The Fund will limit its investment in sub-investment grade debt to 15% of its Net Asset Value.

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

	<p>In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money-Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <p>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</p> <p>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate or protecting the Fund against inflation or currency exposure); and</p> <p>(iv) single name and index credit default swaps (which will aim to protect the Fund in the event of a default or credit event on a particular investment or index).</p> <p>In addition, the Fund may also enter into repurchase agreements (repos and reverse repos) for funding and settlement purposes.</p> <p>The currency exposures derived from non-Sterling denominated securities may be hedged to Sterling in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This fund is designed for investors looking for growth and income from an investment in range of bonds (a type of loan which pays interest).</p> <p>Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p>

	<p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is 100% Markit iBoxx Sterling non-gilts All Stocks.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 300% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	Sterling (GBP).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	£1	£1,000,000	£1,000,000	£100,000	0.30% NAV	Up to 0.40% NAV	0.01%
<b>Class P</b>	£1	£1,000	£1,000	£1,000	0.75% NAV	Up to 0.85% NAV	0.05%
<b>Class R</b>	£1	£1,000	£1,000	£1,000	0.40% NAV	Up to 0.50% NAV	0.05%
<b>Class X</b>	£1	£10,000,000	£10,000,000	£1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	£1	£10,000,000	£10,000,000	£100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 13 March 2014.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “**Risk Factors**” and to the list of general risk factors set out under the sub-section 15.1 “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging Markets, (xii) convertible securities, (xiii) contingent convertible debt securities and (xiv) interest rate risk.

## SUPPLEMENT 3: L&G ABSOLUTE RETURN BOND PLUS FUND

The information contained in this Supplement in relation to L&G Absolute Return Bond Plus Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G ABSOLUTE RETURN BOND PLUS FUND

#### Investment Objective

The Fund aims to generate positive returns in all market conditions. The Fund aims to meet its performance objectives over a rolling 3 year period.

The L&G Absolute Return Bond Plus Fund has a wider set of tools at its disposal when compared to that of the L&G Absolute Return Bond Fund (Supplement 6), hence why the return target attributed to the Fund is larger.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing predominantly in a broad range of fixed income securities from around the world.

The absolute return philosophy is focused on capital preservation and minimising drawdowns. In order to achieve consistent positive returns, significant emphasis is placed on risk management and avoiding downside scenarios.

The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:

- government bonds (with variable interest repayment terms which may be fixed or floating, index-linked, zero coupon or strips); and
- bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities and contingent convertible debt securities;

provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment

Manager has a creditworthiness of comparable quality.

The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated in a variety of currencies.

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money-Market Instruments. The Fund may also hold loans qualifying as Money Market Instruments, up to 10% of its assets within the limits of Article 41(2) of the UCI Law.

In addition to investing directly in the instruments listed above, the Fund will seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:

(i) spot and forward contracts, which will be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);

(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);

(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);

(iv) single name and index credit default swaps (which will aim to protect the Fund in the event of a default or credit event on a particular investment or index);

(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying investment or index. Where total return swaps are used for hedging purposes the underlying will consist of bonds; and

(vi) options (on bond, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) which can be used to hedge against the movements of a particular investment or to gain exposure to a particular investment instead of using a physical security).

In addition, the Fund may also enter into repurchase agreements (repos and reverse repos) for funding and settlement purposes.

The currency exposures derived from non-USD denominated securities may be hedged to USD in part or in full.

#### **Profile of Typical Investor**

This Fund is designed for investors looking for growth and income from an investment in range of bonds (a type of loan which pays interest).

Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.

	This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.
<b>Risk Management and Expected Level of Leverage</b>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the absolute Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The absolute 99%, 1 month VaR of the Fund calculated on a daily basis will not exceed 20% of its Net Asset Value. The risk manager will take immediate steps to reduce the risk levels of the Fund should this limit be exceeded.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund’s expected level of leverage will generally not exceed 500% of the Fund’s Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	US Dollar (USD).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.



## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.60% NAV	Up to 0.70% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	1.20% NAV	Up to 1.30% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.70% NAV	Up to 0.80% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 29 November 2013.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “**Risk Factors**” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging Markets, (xii) convertible securities, (xiii) contingent convertible debt securities and (xiv) interest rate risk.

## SUPPLEMENT 4: L&G EURO HIGH ALPHA CORPORATE BOND FUND

The information contained in this Supplement in relation to L&G Euro High Alpha Corporate Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EURO HIGH ALPHA CORPORATE BOND FUND

<p><b>Investment Objective</b></p>	<p>The Fund aims to produce a return derived from capital growth and income by investing predominantly in Euro denominated fixed and floating rate securities.</p> <p>There can be no assurance that the Fund will achieve its investment objective.</p>
<p><b>Investment Policy</b></p>	<p>The Fund will invest predominantly in a variety of Euro denominated fixed interest instruments such as corporate bonds, other fixed or floating-rate debt securities and short-term debt securities. These may include asset-backed securities, mortgage-backed securities (residential &amp; commercial), consumer loans (for example, auto loans or credit loans), convertible securities and contingent convertible debt securities.</p> <p>The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard &amp; Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.</p> <p>The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard &amp; Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality.</p> <p>The Fund may invest up to 20% of its assets in asset-backed securities and mortgage backed securities.</p> <p>The Fund may invest up to 20% of its assets in contingent convertible debt securities.</p> <p>The Fund may also invest in other fixed and variable rate debt securities which are denominated in any currency other than Euro as well as in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money Market Instruments.</p> <p>Investments in fixed or variable rate debt securities (denominated in either Euro or non-Euro currencies) may include sovereign debt instruments, securities issued by government or other public bodies, subordinated debt instruments and secured debt instruments (i.e. bonds that are secured by assets).</p> <p>The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity of the portfolio, and therefore the Fund may be exposed to a limited number of issuers.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the instruments themselves. The financial derivative instruments that the Fund may invest in include the following:</p>

	<p>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rates);</p> <p>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate or protecting the Fund against inflation or currency exposure); and</p> <p>(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying bond or to protect the Fund in the event of a default or credit event on a particular investment or index).</p> <p>The currency exposures derived from non-Euro securities may be hedged to Euro in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u> As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is the Markit iBoxx Euro Corporate Index.</p> <p><u>Leverage</u> The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund’s expected level of leverage will generally not exceed 300% of the Fund’s Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment</p>

	strategy.
<b>Reference Currency</b>	Euro.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	11.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	€1	€1,000,000	€1,000,000	€100,000	0.50% NAV	Up to 0.60% NAV	0.01%
<b>Class P</b>	€1	€1,000	€1,000	€1,000	1.00% NAV	Up to 1.10% NAV	0.05%
<b>Class R</b>	€1	€1,000	€1,000	€1,000	0.60% NAV	Up to 0.70% NAV	0.05%
<b>Class X</b>	€1	€10,000,000	€10,000,000	€1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	€1	€10,000,000	€10,000,000	€100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 8 December 2014.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “**Risk Factors**” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi), derivatives, (vii) particular risks of OTC derivatives, (viii)

futures, (ix) Developing/Emerging Markets, (x) interest rate risk, (xi) asset backed securities and mortgage backed securities, (xii) convertible securities), (xiii) contingent convertible debt securities, (xiv) forward foreign exchange contracts and (xv) clearing house protections.

## SUPPLEMENT 5: L&G GLOBAL HIGH YIELD BOND FUND

The information contained in this Supplement in relation to L&G Global High Yield Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G GLOBAL HIGH YIELD BOND FUND

#### Investment Objective

The Fund aims to produce high income and capital growth over the long term by investing in fixed and floating rate securities.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing predominantly in a broad range of fixed income securities from around the world.

The type of fixed income securities which the Fund can invest in includes, but is not limited to bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities and contingent convertible debt securities, provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The fixed income securities which the Fund may invest in may: (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated in a variety of currencies.

These instruments set out above will be rated below investment grade by at least one of the recognised rating agencies (that is, rated BB+ or below by Standard & Poor's and/or Fitch or Ba1 or below by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage backed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, government bonds (with variable interest repayment terms which may be fixed or floating, index-linked, zero coupon or strips), depository receipts, permitted deposits, cash and near cash, warrants and Money-Market Instruments.

In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:

	<p>(i) spot and forward contracts, which may be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</p> <p>(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);</p> <p>(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying bond or to protect the Fund in the event of a default or credit event on a particular investment or index);</p> <p>(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying investment or index. Where total return swaps are used for hedging purposes the underlying will consist of bonds; and</p> <p>(vi) options (on bond, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) which can be used to hedge against the movements of a particular investment or to gain exposure to a particular investment instead of using a physical security.</p> <p>The currency exposures derived from non-US Dollar denominated securities may be hedged to US Dollar in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This Fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u> As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is the Bank of America Merrill Lynch BB-B Global High Yield Non-Financial Constrained Index (hedged to US Dollar).</p> <p><u>Leverage</u> The method of calculating the leverage of the Fund: follows the sum of</p>

	<p>notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 200% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	US Dollar.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.50% NAV	Up to 0.60% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	1.00% NAV	Up to 1.10% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.60% NAV	Up to 0.70% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility of Share Classes, please refer to section 1.3 "Classes of Shares" of the Prospectus.

## Launch Date



The Fund was launched on 11 May 2015.

## **Risk Warnings**

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled "Risk Factors" and to the list of general risk factors set out under the sub-section 15.1 - "General risk factors relevant to all of the Funds". In addition, the following risk factors set out under the sub-section 15.2 - "Specific risk factors relevant to certain of the Funds" will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging Markets, (xii) interest rate risk, (xiii) asset backed securities and mortgage backed securities, (xiv) convertible securities, (xv) contingent convertible debt securities, (xvi) forward foreign exchange contracts and (xvii) clearing house protections.

## SUPPLEMENT 6: L&G ABSOLUTE RETURN BOND FUND

The information contained in this Supplement in relation to L&G Absolute Return Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G ABSOLUTE RETURN BOND FUND

#### Investment Objective

The Fund aims to generate positive returns in all market conditions. The Fund aims to meet its performance objectives over a rolling 3 year period.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing predominantly in a broad range of fixed income securities from around the world.

The absolute return philosophy is focused on capital preservation and minimising drawdowns. In order to achieve consistent positive returns, significant emphasis is placed on risk management and avoiding downside scenarios.

The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:

- government bonds (with variable interest repayment terms which may be fixed or floating, index-linked, zero coupon or strips); and
- bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities, and contingent convertible debt securities;

provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage backed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality.

The fixed income securities which the Fund may invest in may: (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii)

	<p>be denominated in a variety of currencies.</p> <p>The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.</p> <p>In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money-Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <ul style="list-style-type: none"> <li>(i) spot and forward contracts, which will be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</li> <li>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</li> <li>(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);</li> <li>(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying credit risk or to protect the Fund in the event of a default or credit event on a particular investment or index); and</li> <li>(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying investment or index. Where total return swaps are used for hedging purposes the underlying will consist of bonds.</li> </ul> <p>In addition, the Fund may also enter into repurchase agreements (repos and reverse repos) for funding purposes.</p> <p>The currency exposures derived from non-Sterling denominated securities may be hedged to Sterling in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u> As part of this risk-management process, the global exposure of the Fund is measured and controlled by the absolute Value at Risk (“VaR”) approach.</p>

	<p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The absolute 99%, 1 month VaR of the Fund calculated on a daily basis will not exceed 20% of its Net Asset Value. The risk manager will take immediate steps to reduce the risk levels of the Fund should this limit be exceeded.</p> <p><u>Leverage</u>  The method of calculating the leverage of the Fund: follows the sum of notional of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notional of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 400% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	Sterling (GBP).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	£1	£1,000,000	£1,000,000	£100,000	0.50% NAV	Up to 0.60% NAV	0.01%
<b>Class P</b>	£1	£1,000	£1,000	£1,000	1.00% NAV	Up to 1.10% NAV	0.05%
<b>Class R</b>	£1	£1,000	£1,000	£1,000	0.60% NAV	Up to 0.70% NAV	0.05%
<b>Class X</b>	£1	£10,000,000	£10,000,000	£1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	£1	£10,000,000	£10,000,000	£100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 13 December 2013.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) derivatives, (vii) particular risks of OTC derivatives, (viii) futures, (ix) Developing/Emerging Markets, (x) interest rate risk, (xi) asset backed securities and mortgage backed securities, (xii) convertible securities, (xiii) contingent convertible debt securities, (xiv) forward foreign exchange contracts and (xv) clearing house protections.

## SUPPLEMENT 7: L&G BUY AND MAINTAIN CREDIT FUND

The information contained in this Supplement in relation to L&G Buy and Maintain Credit Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G BUY AND MAINTAIN CREDIT FUND

<p><b>Investment Objective</b></p>	<p>The Fund aims to produce a positive return derived from capital growth and income by investing in fixed and floating rate securities.</p> <p>There can be no assurance that the Fund will achieve its investment objective.</p>
<p><b>Investment Policy</b></p>	<p>The Fund will seek to achieve its objective by capturing the credit risk premium (i.e. actively “buying” credit exposure) within a globally diversified portfolio of predominantly corporate bonds. The Fund will seek to preserve value over the course of the credit cycle (i.e. “maintain” the value of the portfolio) by avoiding securities experiencing a significant deterioration in credit quality and defaults.</p> <p>The Fund will seek to achieve its objective by investing in a broad range of fixed income securities.</p> <p>The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including <i>Pfandbriefe</i>, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities and contingent convertible debt securities; and</li> <li>▪ government and government-related bonds (with variable interest repayment terms which may be fixed or floating, index-linked or inflation linked);</li> </ul> <p>provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.</p> <p>The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated in Sterling, Euro and US Dollar.</p> <p>The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard &amp; Poor’s or Fitch or Baa3 or above by Moody’s). The minimum credit rating at the time of purchase shall be no less than investment grade, although the Fund may retain bonds which are downgraded below investment grade after purchase. The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.</p> <p>The Fund will limit its investment in sub-investment grade debt to 10% of its Net Asset Value.</p> <p>The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.</p>

	<p>The Fund may invest up to 20% of its assets in contingent convertible debt securities.</p> <p>The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.</p> <p>In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <p>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</p> <p>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to underlying interest rates or protecting the Fund against inflation or currency exposure); and</p> <p>(iv) single name and index credit default swaps.</p> <p>In addition, the Fund may also enter into repurchase agreements (repos and reverse repos) for funding and settlement purposes.</p> <p>The currency exposures derived from non-Sterling denominated securities may be hedged to Sterling in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This Fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“VaR”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p>

	<p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund for VaR purposes is 100% Markit iBoxx Sterling non-gilt Index. The Fund has no performance benchmark.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund follows the sum of notionals of financial derivative instruments approach (in accordance with CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 200% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	Sterling (GBP).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.



## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	£1	£1,000,000	£1,000,000	£100,000	0.15% NAV	Up to 0.25% NAV	0.01%
<b>Class Z</b>	£1	£10,000,000	£10,000,000	£100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 8 May 2014.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi), derivatives, (vii) particular risks of OTC derivatives, (viii) futures, (ix) Developing/Emerging Markets, (x) interest rate risk, (xi) asset backed securities and mortgage backed securities, (xii) convertible securities, (xiii) contingent convertible debt securities, (xiv) forward foreign exchange contracts and (xv) clearing house protections.

## SUPPLEMENT 8: L&G EMERGING MARKETS BOND FUND

The information contained in this Supplement in relation to L&G Emerging Markets Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EMERGING MARKETS BOND FUND

#### Investment Objective

The Fund aims to generate capital growth and income by investing in fixed and floating rate securities issued by Developing/Emerging Market governments and corporates.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing in a broad range of fixed income securities issued predominantly in US Dollar, Sterling or Euro by Developing/Emerging Market governments and corporates. The Fund is able to invest up to 10% in local currency in these markets.

The type of fixed income securities which the Fund can invest in includes, but is not limited to bonds issued by corporations or governments (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities, contingent convertible debt securities, and distressed securities provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The fixed income securities which the Fund may invest in may: (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be predominantly denominated in US Dollar, Sterling or Euro.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage backed securities, and up to 20% of its assets in distressed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts,

	<p>permitted deposits, cash and near cash, warrants and Money-Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <p>(i) spot and forward contracts, which may be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</p> <p>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</p> <p>(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);</p> <p>(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying bond or to protect the Fund in the event of a default or credit event on a particular investment or index):</p> <p>(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying investment or index. Where total return swaps are used for hedging purposes the underlying will consist of bonds; and</p> <p>(vi) options (on bond, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) which can be used to hedge against the movements of a particular investment or to gain exposure to a particular investment instead of using a physical security.</p> <p>The currency exposures derived from non-US Dollar denominated securities may be hedged to US Dollar in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This Fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p>

	<p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference composite benchmark used by the Fund is the 50% JP Morgan EMBI-Global Diversified index + 50% CEMBI-Broad Diversified index.</p> <p><u>Leverage</u> The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 300% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	US Dollar.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.
<b>Redemption settlement period</b>	Payment of redemption proceeds will normally be made within 3 Business Days of the relevant Dealing Request Deadline but can take up to 10 Business Days.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.65% NAV	Up to 0.75% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	1.30% NAV	Up to 1.40% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.75% NAV	Up to 0.85% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 24 October 2016.

## Risk Warnings

Investors' attention is particularly drawn to the section of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging markets, (xii) interest rate risk, (xiii) asset backed securities and mortgage backed securities, (xiv) forward foreign exchange contracts, (xv) convertible securities, (xvi) contingent convertible debt securities, (xvii) distressed securities and (xviii) clearing house protections.

## SUPPLEMENT 9: L&G EMERGING MARKETS SHORT DURATION BOND FUND

The information contained in this Supplement in relation to L&G Emerging Markets Short Duration Bond Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EMERGING MARKETS SHORT DURATION BOND FUND

#### Investment Objective

The Fund aims to generate capital growth and income by investing in fixed and floating rate securities issued by Developing/Emerging Market governments and corporates.

The Fund targets an overall duration of approximately 3 years.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing in a broad range of fixed income securities issued predominantly in US Dollar, Sterling or Euro by Developing/Emerging Market governments and corporates. The Fund is able to invest up to 10% in local currency in these markets.

The type of fixed income securities which the Fund can invest in includes, but is not limited to bonds issued by corporations or governments (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities, contingent convertible debt securities, and distressed securities provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The fixed income securities which the Fund may invest in may: (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be predominantly denominated in US Dollar, Sterling or Euro.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage backed securities, and up to 20% of its assets in distressed securities.

The Fund may invest up to 20% of its assets in contingent convertible debt securities.

The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

In addition, the Fund may also hold cash and invest in units in collective

	<p>investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money-Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <ul style="list-style-type: none"> <li>(i) spot and forward contracts, which may be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</li> <li>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</li> <li>(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);</li> <li>(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying bond or to protect the Fund in the event of a default or credit event on a particular investment or index);</li> <li>(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying investment or index. Where total return swaps are used for hedging purposes the underlying will consist of bonds; and</li> <li>(vi) options (on bond, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) which can be used to hedge against the movements of a particular investment or to gain exposure to a particular investment instead of using a physical security.</li> </ul> <p>The currency exposures derived from non-US Dollar denominated securities may be hedged to US Dollar in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This Fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <ol style="list-style-type: none"> <li>1. As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</li> <li>2. VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</li> </ol>

	<p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference composite benchmark used by the Fund is the 50% JP Morgan EMBI-Global Diversified 3-5 year index + 50% CEMBI-Broad Diversified 3-5 year index.</p> <p><u>Leverage</u> The method of calculating the leverage of the Fund: follows the sum of notional of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notional of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 300% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	US Dollar.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.
<b>Redemption settlement period</b>	Payment of redemption proceeds will normally be made within 3 Business Days of the relevant Dealing Request Deadline but can take up to 10 Business Days.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.65% NAV	Up to 0.75% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	1.30% NAV	Up to 1.40% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.75% NAV	Up to 0.85% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%



The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## **Launch Date**

The Fund was launched on 24 October 2016.

## **Risk Warnings**

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging markets, (xii) interest rate risk, (xiii) asset backed securities and mortgage backed securities, (xiv) forward foreign exchange contracts, (xv) convertible securities, (xvi) contingent convertible debt securities, (xvii) distressed securities and (xviii) clearing house protections.

## SUPPLEMENT 10: L&G COMMODITY INDEX FUND

The information contained in this Supplement in relation to L&G Commodity Index Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G COMMODITY INDEX FUND

#### Investment Objective

The Fund aims to track the return of the Bloomberg Roll Select Commodity Index (the "Index") less fees, expenses and transaction costs.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

In order to gain exposure to the Index the Fund will use a method of synthetic replication of the Index.

The Fund seeks to deliver the performance of the underlying Index by entering into one or several total return swaps. The purpose of the swaps is to gain indirect exposure to the Index. As part of the swap obligations the Fund may invest in US treasury bills and cash which, together with the swap return, seek to deliver a return which reflects the performance of the Index.

The Fund may also (i) invest in other assets which may include, but are not limited to, fixed income securities, equity securities or collective investment schemes, and (ii) enter into total return swaps and exchange the return of the assets held in the Fund for the performance of the Index.

The principal amount of the Fund's assets that can be subject to total return swaps may represent up to a maximum of 110% of the Net Asset Value of the Fund. Under normal circumstances, it is generally expected that the notional amount of such total return swaps will be approximately 100 % of the Fund's Net Asset Value.

Any financial obligation arising in respect of the use of the financial derivative instruments shall never exceed the available capital in the Fund.

In addition to the swaps detailed above, the financial derivative instruments that the Fund may invest in include the following:

(i) spot and forward contracts, which may be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);

(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);

(iii) fixed or index-linked interest rate swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate);

(iv) single name and index credit default swaps (which will aim to gain exposure to the underlying bond or to protect the Fund in the event of a default or credit event on a particular investment or index); and

(vi) options (on bond, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) which can be used to hedge against the movements of a particular investment or to gain exposure to a particular

	investment instead of using a physical security.
<b>Benchmark Index</b>	Bloomberg Roll Select Commodity Index
<b>Information on Index</b>	<p>The Index is made up of multiple exchange-traded futures which represent a broad set of physical commodities. Each commodity is weighted based on its economic significance and market liquidity. Weighting restrictions on individual commodities and commodity groups promote diversification. To ensure diversification the Index applies the following diversification rules annually: no single commodity may constitute less than 2% or more than 15% of the Index and no related group of commodities may constitute more than 33% of the Index.</p> <p>In order to accurately reflect the commodity asset class the Index, and consequently the Fund, will make use of the increased diversification limit of 35%. The use of the increased limit is due to the economic significance of the “Energy” category. The oil and gasoline sub-categories within “Energy” account for a substantial amount of global production and therefore to accurately reflect this part of the commodity asset class the increased limit is required.</p> <p>Further information on the Index, including the Index methodology and composition, can be found at: <a href="http://www.bloombergindices.com">www.bloombergindices.com</a>.</p> <p>Contract selection is made on the fourth Index business day of each month. The Index is reweighted and rebalanced annually on a price-percentage basis. Index rebalancing will require the Fund to trade in order to stay aligned to the Index. This will incur additional cost for the Fund which will manifest itself through the tracking error of the Fund to the Index.</p> <p>The Management Company has adopted a written plan setting out actions, which it will take with respect to the Fund in the event that the Index materially changes or ceases to be provided (the “<b>Contingency Plan</b>”), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the “<b>Benchmark Regulation</b>”). Shareholders may access the Contingency Plan, free of charge, upon request, from the Management Company.</p> <p>The Index is, as at the date of this Prospectus, provided by a benchmark administrator who is availing of the transitional arrangements afforded under the Benchmark Regulation and accordingly does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to article 36 of the Benchmark Regulation.</p>
<b>Information on Tracking Error</b>	<p>In normal market conditions, the level of tracking error for the Fund is anticipated to be within 0.50% per annum.</p> <p>The size of the tracking error will be disclosed in the annual and semi-annual reports of the Company. The annual report will describe the divergence between the anticipated and realised tracking error. The annual report will also disclose and explain the annual tracking difference between the performance of the Fund and that of the Index.</p>
<b>Profile of Typical Investor</b>	<p>This Fund is designed for investors looking for growth and income from an investment in exchange-traded futures on physical commodities.</p> <p>Although investors can take their money out at any time, this Fund may not be</p>

	<p>appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<b>Risk Management and Expected Level of Leverage</b>	<p>In accordance with applicable laws and regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><b>Calculation of global exposure</b> As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“<b>VaR</b>”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is the Bloomberg Roll Select Commodity Index.</p> <p><b>Leverage</b> The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund’s expected level of leverage will generally not exceed 200% of the Fund’s Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	USD
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.
<b>Redemption settlement period</b>	Payment of redemption proceeds will normally be made within 3 Business Days of the relevant Dealing Request Deadline but can take up to 10 Business Days.
<b>Listing</b>	<p>An application may be made to the Luxembourg Stock Exchange for the following Share Classes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange:</p> <ul style="list-style-type: none"> <li>(a) the Class I Shares;</li> <li>(b) the Class P Shares;</li> <li>(c) the Class R Shares;</li> <li>(d) the Class X Shares;</li> <li>(e) the Class Z Shares;</li> <li>(f) the Class Y Shares.</li> </ul>

The abovementioned Shares will be/are eligible for clearing and settlement by Clearstream Banking, S.A. / Euroclear Bank S.A./N.V., a clearing system approved by the Luxembourg Stock Exchange at the time of listing.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.28% NAV	Up to 0.38% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	0.90% NAV	Up to 1.00% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.50% NAV	Up to 0.60% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%
<b>Class Y**</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

\*\* Prospective investors for Class Y Shares will be required to enter into an agreement with the Management Company or an affiliate of the Management Company. In accordance with such agreement, the Management Company will bear the fees, charges and expenses charged to the Class Y.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund was launched on 30 November 2017.

## Risk Warnings

Investors’ attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will

be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) swap agreements, (iv) use of swaps and other derivatives, (v), derivatives, (vi) particular risks of OTC derivatives, (viii) interest rate risk, (ix) futures, (x) forward foreign exchange contracts, (xi) clearing house protections, (xii) exposure to an index and anticipated level of tracking error, (xiii) frequent trading and turnover and (xiv) commodities risk.

## SUPPLEMENT 11: L&G FUTURE WORLD GLOBAL CREDIT FUND

The information contained in this Supplement in relation to L&G Future World Global Credit Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G FUTURE WORLD GLOBAL CREDIT FUND

#### Investment Objective

The Fund aims to produce a return derived from capital growth and income by investing in fixed and floating-rate securities.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by capturing the credit risk premium within a globally diversified portfolio of predominantly non-government bonds with a goal of preserving value over the course of the credit cycle by avoiding securities experiencing a significant deterioration in credit quality and defaults.

The Fund will also seek to reflect the Investment Manager's long-term thematic views including risks relating to climate change. Environmental, social and governance (ESG) factors are integrated into the Fund's investment process.

The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:

- bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities and contingent convertible debt securities; and
- government and government-related bonds (with variable interest repayment terms which may be fixed or floating, index-linked or inflation linked);

provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated predominantly in US Dollar, but also in Euro and Sterling.

The Fund will invest primarily in debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may also invest in debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's or in the opinion of the Investment Manager has a creditworthiness of comparable quality. The Fund will limit its investment in sub-investment grade debt to 10% of its Net Asset Value. The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

	<p>The Fund may invest up to 20% of its assets in contingent convertible debt securities.</p> <p>The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.</p> <p>In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <ul style="list-style-type: none"> <li>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</li> <li>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</li> <li>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to underlying interest rates or protecting the Fund against inflation or currency exposure); and</li> <li>(iv) single name and index credit default swaps.</li> </ul> <p>In addition, the Fund may also enter into repurchase agreements (repos and reverse repos) for funding and settlement purposes.</p>
<p><b>Profile of Typical Investor</b></p>	<p>This Fund is designed for investors looking for growth and income from an investment in range of fixed and variable rate income securities.</p> <p>Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“VaR”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p>



	<p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund for VaR purposes is Bloomberg Barclays USD/EUR/GBP Corp5+ Yr 1% Issuer Capped Index. The Fund has no performance benchmark.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund follows the sum of notional of financial derivative instruments approach (in accordance with CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notional of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 200% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	US Dollar (USD).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.15% NAV	Up to 0.25% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	0.30% NAV	Up to 0.40% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.25% NAV	Up to 0.35% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00,

USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

### **Initial Offer Period**

The Fund will be launched on or around 22 June 2018, or such later date as the Directors may determine.

### **Risk Warnings**

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi), derivatives, (vii) particular risks of OTC derivatives, (viii) futures, (ix) Developing/Emerging Markets, (x) interest rate risk, (xi) asset backed securities and mortgage backed securities, (xii) convertible securities, (xiii) contingent convertible debt securities, (xiv) forward foreign exchange contracts and (xv) clearing house protections.

## SUPPLEMENT 12: L&G FUTURE WORLD GLOBAL EQUITY FOCUS FUND

The information contained in this Supplement in relation to L&G Future World Global Equity Focus Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G FUTURE WORLD GLOBAL EQUITY FOCUS FUND

#### Investment Objective

The Fund aims to generate long term capital growth, by investing in equity securities on a global basis, including the emerging markets. The Fund aims to meet its performance objectives over a rolling 3 year period.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by investing predominantly in shares of companies on a global basis with an aim to outperform the MSCI World Index by 3% per annum over a rolling three year basis.

The Investment Manager will not be tied to investing in the constituents of any index and will use its discretion with regards to selecting the companies, sectors, and geographical exposure of the Fund's holdings.

The Fund will also seek to reflect the Investment Manager's long-term thematic views including risks relating to climate change. Environmental, social and governance (ESG) factors are integrated into the Fund's investment process.

The Fund may invest in China A Shares through Stock Connect.

In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, participatory notes, depository receipts, convertible securities, preferred securities, permitted deposits, cash and near cash, warrants and Money Market Instruments.

In addition to investing directly in the instruments listed above, the Fund may invest in financial derivatives for currency hedging and efficient portfolio management purposes. The financial derivative instruments that the Fund may invest in include the following:

- (i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future); and,
- (ii) exchange traded futures and options on equity markets (which allow the Fund to hedge against market risk or gain exposure to underlying equity).

<b>Profile of Typical Investor</b>	<p>Typical investors are expected to be informed investors who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk. The typical investor in Class I Shares and Class Z Shares in the Fund will be an Institutional Investor.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least 5 years.</p>
<b>Risk Management and Expected Level of Leverage</b>	In relation to the use of financial derivatives as described above, the Fund's global exposure will be calculated using the commitment approach. Please refer to the section entitled <i>Risk Management Process</i> in the Prospectus for additional information on funds using the commitment approach.
<b>Reference Currency</b>	US Dollar (USD).
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.
<b>Redemption settlement period</b>	Payment of redemption proceeds will normally be made within 3 Business Days of the relevant Dealing Request Deadline but can take up to 10 Business Days.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class C</b>	\$1	\$50,000,000	\$50,000,000	\$100,000	0.35% NAV	Up to 0.45% NAV	0.01%
<b>Class I</b>	\$1	\$1,000,000	\$1,000,000	\$100,000	0.50% NAV	Up to 0.60% NAV	0.01%
<b>Class P</b>	\$1	\$1,000	\$1,000	\$1,000	1.00% NAV	Up to 1.10% NAV	0.05%
<b>Class R</b>	\$1	\$1,000	\$1,000	\$1,000	0.50% NAV	Up to 0.60% NAV	0.05%
<b>Class X</b>	\$1	\$10,000,000	\$10,000,000	\$1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	\$1	\$10,000,000	\$10,000,000	\$100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

### **Initial Offer Period**

The Fund will be launched on or around 13 July 2018 or such later date as the Directors may determine.

### **Risk Warnings**

Investors’ attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i), derivatives, (ii) futures, (iii) Developing/Emerging Markets, (iv) dealing in securities via Stock Connect, (v) convertible securities, (vi) forward foreign exchange contracts and (viii) clearing house protections.

### **Information relating to the German Investment Act 2018**

The Fund invests at least 51% (i.e. predominantly) of its Net Asset Value in equity securities, which are listed on a stock exchange or traded on an organised market and which for this purpose are not investments in shares in investment funds. Investments in Real Estate Investment Trusts (REITs) are not eligible equity securities for this purpose. However in extraordinary market circumstances (such as a significant market event or major crises) and in order to ultimately protect the interests of Shareholders, the Fund may divest or decrease its interest in such shares in order to hold ancillary liquid assets.

## SUPPLEMENT 13: L&G MULTI-ASSET TARGET RETURN FUND

The information contained in this Supplement in relation to L&G Multi-Asset Target Return Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G MULTI-ASSET TARGET RETURN FUND

#### Investment Objective

The Fund aims to provide long-term growth to achieve a total return of both income and capital of EONIA +5% per annum over rolling three year periods.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund seeks to achieve its objective by using a range of investment strategies and techniques to actively gain exposure to a broad range of asset classes.

The Fund uses an unconstrained investment approach across all asset classes by allocating across long/short strategies, as opposed to asset classes, and is able to have short positions in instruments, long positions in instruments and relative value positions across a number of instruments.

Sizing of strategies will be based on a risk budgeting approach, with strategies with the same conviction level and diversification benefit getting the same risk budget. The Fund's gross notional exposure will depend on the chosen strategies. Relative value strategies will tend to be sized larger in notional terms, compared to outright long or short positions, as the combination of a long and short position often hedges out the main asset class risk. The gross notional exposure in the Fund will be at the higher end when many strategies use money market futures, when many strategies are in fixed income more generally, and when a large number of strategies are relative value in nature.

The Fund may invest in any region of the world, including emerging markets, and in any currency.

The asset classes in which the Fund may invest directly are, generally, equities, fixed interest securities and money market instruments.

The Fund may also gain an indirect exposure to alternative asset classes such as commodities, infrastructure and property through investing in transferable securities, collective investment schemes or through the use of derivatives.

The collective investment schemes in which the Fund invests may include those managed by the Investment Manager.

The Fund may also invest in other transferable securities, warrants, other collective investment schemes, closed-ended REITs up to 20% of its assets, deposits, cash and near cash.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities, and up to 5% of its assets in distressed securities.

The investment strategies and techniques employed by the Investment Manager may mean that, at any one time, the Fund is largely invested in derivatives. The Fund may therefore at any time have substantial holdings in liquid assets. This may also lead to higher leverage. The derivatives the Fund may use for efficient portfolio management as well as for investment purposes, include;

- (i) currency spot and forward contracts (which allow the Fund to gain exposure to foreign exchange rates);
- (ii) exchange traded futures on sovereign bonds or interest rates (which

	<p>allow the Fund to gain exposure to underlying bond or interest rate);</p> <ul style="list-style-type: none"> <li>(iii) exchange traded options (on bonds, bond futures, credit default swaps, currency, interest rate, interest rate swaps and equities) used to gain exposure to a particular investment instead of using a physical security);</li> <li>(iv) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (used by the Fund for gaining exposure to an underlying interest rate);</li> <li>(v) total return swaps which can be used by the Fund for hedging purposes as well as for gaining exposure to underlying equities or commodity indices;</li> <li>(vi) swaptions;</li> <li>(vii) warrants; and</li> <li>(viii) OTCs.</li> </ul> <p>In addition, the Fund may also enter into securities lending agreements.</p> <p>The Investment Manager will aim to achieve the Fund's objective as described above while;</p> <ul style="list-style-type: none"> <li>• reducing the overall volatility of the Fund</li> <li>• limiting the correlation of the Fund's performance with that of global equities</li> <li>• limiting the potential losses of the Fund due to large falls in security markets</li> </ul> <p>The Investment Manager will not be tied to investing in the constituents of any index.</p> <p>The Fund has set the following targets which may or may not be achieved:</p> <ul style="list-style-type: none"> <li>- a target volatility between 6% and 10%;</li> <li>- a target market beta lower than 0.4 average over a three year period; and</li> <li>- a target drawdown risk of less than 40% of equities in case equity markets fall at least 10% relative to the trailing six month peak.</li> </ul>
<p><b>Profile of Typical Investor</b></p>	<p>This fund is designed for investors looking for growth and income from a broad range of asset classes including equities, fixed interest securities and money market instruments.</p> <p>Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.</p> <p>This Fund is designed for investors who can bear the economic risk of the loss of their investment in the Fund.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the absolute Value at Risk ("VaR") approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The absolute 99%, 1 month VaR of the Fund calculated on a daily basis will not exceed 20% of its Net Asset Value. The risk manager will take immediate steps to reduce the risk levels of the Fund should this limit be exceeded.</p>

	<p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund follows the sum of notionals of financial derivative instruments approach (in accordance with CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's level of leverage shall not exceed 2000% of the Fund's Net Asset Value.</p>
<b>Reference Currency</b>	Euro (EUR)
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	€1	€1,000,000	€1,000,000	€100,000	0.60% NAV	Up to 0.70% NAV	0.01%
<b>Class P</b>	€1	€1,000	€1,000	€1,000	1.20% NAV	Up to 1.30% NAV	0.05%
<b>Class R</b>	€1	€1,000	€1,000	€1,000	0.60% NAV	Up to 0.70% NAV	0.05%
<b>Class X</b>	€1	€10,000,000	€10,000,000	€1,000	Nil	Up to 0.10% NAV	0.05%
<b>Class Z</b>	€1	€10,000,000	€10,000,000	€100,000	Nil	Up to 0.10% NAV	0.01%

\*The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 "Classes of Shares" of the Prospectus.

## Initial Offer Period

The Fund will be launched on or around 7<sup>th</sup> December 2018, or such later date as the Directors may determine.



## **Risk Warnings**

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled "Risk Factors" and to the list of general risk factors set out under the sub-section 15.1 - "General risk factors relevant to all of the Funds". In addition, the following risk factors set out under the sub-section 15.2 - "Specific risk factors relevant to certain of the Funds" will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) securities lending, (viii) options, (ix) futures, (x) derivatives, (xi) particular risks of OTC derivatives, (xii) futures, (xiii) Developing/Emerging Markets, (xiv) interest rate risk, (xv) convertible securities, (xvi) contingent convertible debt securities, (xvii) forward foreign exchange contracts and (xviii) clearing house protections.

## **Information relating to the German Investment Act 2018**

The Fund may invest in equity securities, which are listed on a stock exchange or traded on an organised market and which for this purpose are not investments in shares in investment funds. Investments in Real Estate Investment Trusts (REITs) are not eligible equity securities for this purpose. However in extraordinary market circumstances (such as a significant market event or major crises) and in order to ultimately protect the interests of Shareholders, the Fund may divest or decrease its interest in such shares in order to hold ancillary liquid assets.

## SUPPLEMENT 14: L&G EURO BUY AND MAINTAIN CREDIT FUND

The information contained in this Supplement in relation to L&G Euro Buy and Maintain Credit Fund should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EURO BUY AND MAINTAIN CREDIT FUND

#### Investment Objective

The Fund aims to produce a return derived from capital growth and income by investing in fixed and floating-rate securities.

There can be no assurance that the Fund will achieve its investment objective.

#### Investment Policy

The Fund will seek to achieve its objective by capturing the credit risk premium (i.e. actively “buying” credit exposure) within a portfolio composed of at least 70% Euro denominated fixed income securities. The portfolio will also contain at least 70% corporate bonds. The Fund will seek to preserve value over the course of the credit cycle (i.e. “maintain” the value of the portfolio) by avoiding securities experiencing a significant deterioration in credit quality and defaults.

The Fund will seek to achieve its objective by investing in a broad range of fixed income securities.

The type of fixed income securities which the Fund can invest in includes, but is not limited to the following:

- bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including *Pfandbriefe*, asset backed and mortgage related securities, perpetual bonds, hybrid fixed income securities, preferred securities, convertible securities and contingent convertible debt securities; and
- government and government-related bonds (with variable interest repayment terms which may be fixed or floating, index-linked or inflation linked);

provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.

The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) be denominated primarily in Euro, but also in US Dollar and Sterling. The Investment Manager will use its discretion with regard to issues, sectors, geographical exposure and maturity.

The Fund will purchase debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor’s or Fitch or Baa3 or above by Moody’s). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may hold debt which is considered sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor’s and Fitch and Ba1 and below by Moody’s or in the opinion of the Investment Manager has a creditworthiness of comparable quality. The Fund will limit its investment in sub-investment grade debt to 10% of its Net Asset Value. The Fund may invest up to 20% of its assets in asset-backed securities and

	<p>mortgage-backed securities. The Fund may invest up to 20% of its assets in contingent convertible debt securities.</p> <p>In addition, the Fund may also hold cash and invest in units in collective investment schemes, other Transferable Securities, depository receipts, permitted deposits, cash and near cash, warrants and Money Market Instruments.</p> <p>In addition to investing directly in the instruments listed above, the Fund may seek to gain exposure to these investments by investing in financial derivative instruments which deliver a return to the Fund which is similar to investing directly in the target investments themselves. The financial derivative instruments that the Fund may invest in include the following:</p> <ul style="list-style-type: none"> <li>(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);</li> <li>(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rate);</li> <li>(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to underlying interest rates or protecting the Fund against inflation or currency exposure); and,</li> <li>(iv) single name and index credit default swaps.</li> </ul> <p>The currency exposures derived from non-Euro denominated securities may be hedged to Euro in part or in full.</p> <p>The interest rate exposures derived from non-Euro denominated securities may be hedged to Euro-rate exposure in part or in full.</p>
<p><b>Profile of Typical Investor</b></p>	<p>Typical investors are expected to be informed investors who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk. The typical investor in Class I Shares and Class Z Shares in the Fund will be an Institutional Investor.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least 5 years.</p>
<p><b>Risk Management and Expected Level of Leverage</b></p>	<p>In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“VaR”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The</p>

	<p>relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund for VaR purposes is Bloomberg Barclays Euro Corporate 3yrs+ ex subordinated Index. The Fund has no performance benchmark.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund follows the sum of notionals of financial derivative instruments approach (in accordance with CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund's expected level of leverage will generally not exceed 200% of the Fund's Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	Euro.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.

## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
<b>Class I</b>	€1	€1,000,000	€1,000,000	€100,000	0.15% NAV	Up to 0.25% NAV	0.01%
<b>Class Z</b>	€1	€10,000,000	€10,000,000	€100,000	Nil	Up to 0.10% NAV	0.01%

\* The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Class, AUD 1.00, CAD 1.00, CHF 1.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00, DKK 10.00 (exclusive of any preliminary charge or exchange charge payable). The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription, Minimum Holding and Minimum Transaction Size at Share Class level.

For information about the eligibility requirements of the Share Classes, please refer to section 1.3 “Classes of Shares” of the Prospectus.

## Launch Date

The Fund will be launched in or around May 2019, or such later date as the Directors may determine.

## Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “Risk Factors” and to the list of general risk factors set out under the sub-section 15.1 - “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi), derivatives, (vii) particular risks of OTC derivatives, (viii) futures, (ix) Developing/Emerging Markets, (x) interest rate risk, (xi) asset backed securities and mortgage backed securities, (xii) convertible securities, (xiii) contingent convertible debt securities, (xiv) forward foreign exchange contracts and (xv) clearing house protections.

## SUPPLEMENT 15: L&G EURO CORPORATE BOND FUND (RESPONSIBLE EXCLUSIONS)

The information contained in this Supplement in relation to L&G Euro Corporate Bond Fund (Responsible Exclusions) should be read in conjunction with the full text of the Prospectus.

### Name of fund: L&G EURO CORPORATE BOND FUND (RESPONSIBLE EXCLUSIONS)

<b>Investment Objective</b>	<p>The objective of the Fund is to provide capital growth and income by outperforming the Markit iBoxx Euro Corporates Total Return index by 0.5% per annum, over a three year rolling period, gross of fees.</p> <p>The fund will generate investment return whilst excluding companies on the Responsible Exclusions list. The exclusion criteria applied to generate this list, is detailed in the investment policy.</p>
<b>Investment Policy</b>	<p>To evaluate the investments held in this Fund, the manager uses “in house” credit research, combined with both external and internal ESG (environmental, social and governance) research, to form an investment view.</p> <p>In addition to the above, the Fund will not invest in bonds issued by companies involved with the production of controversial weapons, nuclear weapons or firearms. In addition, the Fund will also restrict investment in bonds of companies who derive more than 50% of their revenues from the production of tobacco or coal, or that are United Nations Global Compact (UNGC) offenders. The above exclusions form the Responsible Exclusions list which will be reviewed annually.</p> <p>The Fund will achieve its investment objective by investing in a broad range of bonds and bond related instruments denominated in Euro, GBP and USD, with at least 70% to be invested in a portfolio of Euro denominated bonds, and 70% of the fund to be invested in corporate bonds.</p> <p>The type of bonds that the fund will invest in includes</p> <ul style="list-style-type: none"> <li>▪ bonds issued by corporations (with variable interest repayment terms which may be fixed or floating or inflation linked), zero coupon bonds, structured notes, covered bonds including Pfandbriefe, asset backed and mortgage related securities (residential &amp; commercial), consumer loans (for example, auto loans or credit loans), perpetual bonds, hybrid bonds, preferred bonds, convertible bonds and contingent convertible bonds; and</li> <li>▪ government and government related bonds (with variable interest repayment terms which may be fixed or floating, index linked or inflation linked)</li> </ul> <p>provided that the above fixed income securities qualify as Transferable Securities or Money Market Instruments in accordance with the provisions of the Prospectus.</p> <p>The fixed income securities which the Fund may invest in may (i) have varying interest repayment terms and reset terms; (ii) have varying maturities; and (iii) have different issuers (such as sovereign, quasi sovereign, corporate, government or public bodies). The Investment Manager will use its discretion with regards issues, sectors, geographical exposure and maturity and therefore the Fund may be exposed to a limited number of issuers.</p> <p>In addition, subject to the applicable conditions and limits set out in appendix 1 “Investment restrictions and powers”, the Fund may, on an ancillary basis, hold cash and invest in units in collective investment schemes, other transferable securities, depositary receipts,</p>

permitted deposits and Money Market Instruments.

The currency exposure derived from non-Euro securities will be hedged to Euro in part or in full. The fund will not purchase any non-Euro denominated government bonds other than UK and US government bonds.

The Fund will purchase debt which has been rated by a recognised rating agency as investment grade (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's/iBoxx). The Fund may also invest in unrated bonds whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other bonds eligible for investment by the Fund.

The Fund may hold debt which is considered at the time of purchase sub-investment grade that is, debt which is rated BB+ and below or equivalent by Standard & Poor's and Fitch and Ba1 and below by Moody's/iBoxx or in the opinion of the Investment Manager has a creditworthiness of comparable quality. The Fund will limit its investment in sub-investment grade debt to 10% of its Net Asset Value. At the time of purchase the fund will not purchase any single B issuers or below. Following acquisition, if any bonds fall below the minimum required rating, they will be sold within three months of downgrading.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may invest up to 20% of its assets in contingent convertible debt securities.

In addition to investing directly as outlined above, the Fund may use the following derivatives for investment purposes/and or for the purposes of efficient portfolio management of the fund or for hedging:

(i) spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future);

(ii) exchange traded futures on bond markets or interest rates (which allow the Fund to hedge against market risk or gain exposure to underlying bond or interest rates);

(iii) swaps, including fixed or index-linked interest rate swaps, inflation-linked swaps or currency swaps (which can be used by the Fund for hedging purposes as well as for gaining exposure to an underlying interest rate or protecting the Fund against inflation or currency exposure); and

(iv) single name and index credit default swaps (which will aim to protect the Fund in the event of a default or credit event on a particular investment or index).

**Profile of Typical Investor**

Typical investors are expected to be informed investors who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk. The typical investor in Class I Shares and Class Z Shares in the Fund will be an Institutional Investor.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

**Risk Management and Expected Level of**

In accordance with applicable laws and regulations the Management Company uses a risk-management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are

<b>Leverage</b>	<p>material for the Fund.</p> <p><u>Calculation of global exposure</u></p> <p>As part of this risk-management process, the global exposure of the Fund is measured and controlled by the relative Value at Risk (“VaR”) approach.</p> <p>VaR means a measure of the maximum expected loss (under normal market conditions) at a given confidence level over a specific time period.</p> <p>The relative VaR approach is used for Funds where a reference benchmark is defined reflecting the investment strategy which the Fund is pursuing. The relative VaR of a Fund is expressed as a multiple of the VaR of a reference benchmark and is limited to no more than twice the VaR on the comparable benchmark. The reference benchmark used by the Fund is the Markit iBoxx Euro Corporate Index.</p> <p><u>Leverage</u></p> <p>The method of calculating the leverage of the Fund: follows the sum of notionals of financial derivative instruments approach (in accordance with the CSSF Circular 11/512), which defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.</p> <p>Based on the sum of notionals of financial derivative instruments approach, in accordance with CSSF Circular 11/512, the Fund’s expected level of leverage will generally not exceed 200% of the Fund’s Net Asset Value. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Reference Currency</b>	Euro.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	14.00 hours (Central European Time) on each Dealing Day.
<b>Redemption Settlement period</b>	Payment of redemption proceeds will normally be made within 3 Business Days of the relevant Dealing Request Deadline but can take up to 10 Business Days.
<b>Distribution Policy</b>	<p>Both Accumulation Shares and Distribution Shares may be issued.</p> <p>The part of the year’s net income corresponding to Accumulation Shares will not be paid to Shareholders and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares.</p> <p>The Directors will exercise their discretion to determine whether or not to declare a dividend out of any income attributable to a Class of Distribution Shares and available for distribution. Payments will be made in the Reference Currency of the relevant Class.</p>
<b>Additional Information on Index</b>	The Markit iBoxx Euro Corporates Total Return Index measures a broad range of Euro denominated investment grade corporate bond issuance.



## Share classes

Class	Initial Offer Price*	Minimum Initial Subscription*	Minimum Holding*	Minimum Transaction Size*	Annual Management Fee		Annual rate of Local Tax (Taxe d'abonnement)
					Un-Hedged	Hedged	
Class I	€1	€1,000,000	€1,000,000	€100,000	0.30%	Up to 0.40% NAV	0.01%
Class P	€1	€1,000	€1,000	€1,000	0.75%	Up to 0.85% NAV	0.05%
Class R	€1	€1,000	€1,000	€1,000	0.40%	Up to 0.50% NAV	0.05%
Class K	€1	€150,000,000	€150,000,000	€1,000,000	Up to 0.20%	Up to 0.30% NAV	0.01%
Class X	€1	€10,000,000	€10,000,000	€1,000	Nil	Up to 0.10% NAV	0.05%
Class Z	€1	€10,000,000	€10,000,000	€100,000	Nil	Up to 0.10% NAV	0.01%

\* Investors should refer to the section of the Prospectus headed “**Important Information**” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount at their sole discretion.

\*\* Prospective investors for Class X Shares, Class Y Shares and Class Z Shares will be required to enter into an agreement with the Management Company or an affiliate of the Management Company.

^ Where the Share Class in question is offered in a currency other than the Reference Currency, this amount will need to be the foreign currency equivalent of the Minimum Initial Subscription or Minimum Additional Subscription (as appropriate).

### Initial Offer Price

The Initial Offer Price for any new Class of Shares in the Fund shall be, depending on the denomination of the Share Class, AUD 1.00, CAD 1.00, CHF 1.00, DKK 10.00, EUR 1.00, GBP 1.00, HKD 10.00, JPY 100.00, NOK 10.00, SEK 10.00, SGD 1.00, USD 1.00

### Launch Date

The Fund will be launched on or around 11<sup>th</sup> October 2019, or such later date as the Directors may determine.

### Risk Warnings

Investors' attention is particularly drawn to the section 15 of the Prospectus entitled “**Risk Factors**” and to the list of general risk factors set out under the sub-section 15.1 “General risk factors relevant to all of the Funds”. In addition, the following risk factors set out under the sub-section 15.2 - “Specific risk factors relevant to certain of the Funds” will be relevant to this Fund: (i) credit spreads, (ii) debt instruments and securities, (iii) credit default swaps, (iv) swap agreements, (v) use of swaps and other derivatives, (vi) currency options trading, (vii) derivatives, (viii) particular risks

of OTC derivatives, (ix) options, (x) futures, (xi) Developing/Emerging Markets, (xii) convertible securities, (xiii) contingent convertible debt securities (xiv) asset-backed securities and mortgage backed securities and (xv) interest rate risk.

It should be remembered that the value of Shares and the income (if any) derived from them may fall as well as rise and, on redemption, Shareholders may receive less than they originally invested.