

## **MACQUARIE FUND SOLUTIONS**

**PROSPECTUS DATED MAY 2019 AS APPROVED BY THE CSSF  
(PAGE 2)**



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THE INVESTMENT MANAGERS ARE AN INDIRECT WHOLLY OWNED SUBSIDIARY OF MACQUARIE GROUP LIMITED ("MGL"). OTHER THAN MACQUARIE BANK LIMITED ("MBL"), NONE OF THE ENTITIES IN THIS DOCUMENT ARE AUTHORISED DEPOSIT-TAKING INSTITUTIONS FOR THE PURPOSES OF THE BANKING ACT 1959 (COMMONWEALTH OF AUSTRALIA). THE OBLIGATIONS OF THESE ENTITIES DO NOT REPRESENT DEPOSITS OR OTHER LIABILITIES OF MACQUARIE BANK LIMITED ("MBL"). MBL DOES NOT GUARANTEE OR OTHERWISE PROVIDE ASSURANCE IN RESPECT OF THE OBLIGATIONS OF THESE ENTITIES, UNLESS NOTED OTHERWISE.

**PROSPECTUS**  
MACQUARIE FUND SOLUTIONS

MAY 2019



## **1. IMPORTANT INFORMATION**

**THE INVESTMENT MANAGERS ARE AN INDIRECT WHOLLY OWNED SUBSIDIARY OF MACQUARIE GROUP LIMITED ("MGL"). OTHER THAN MACQUARIE BANK LIMITED ("MBL"), NONE OF THE ENTITIES IN THIS DOCUMENT ARE AUTHORISED DEPOSIT-TAKING INSTITUTIONS FOR THE PURPOSES OF THE BANKING ACT 1959 (COMMONWEALTH OF AUSTRALIA). THE OBLIGATIONS OF THESE ENTITIES DO NOT REPRESENT DEPOSITS OR OTHER LIABILITIES OF MACQUARIE BANK LIMITED ("MBL"). MBL DOES NOT GUARANTEE OR OTHERWISE PROVIDE ASSURANCE IN RESPECT OF THE OBLIGATIONS OF THESE ENTITIES, UNLESS NOTED OTHERWISE.**

MACQUARIE FUND SOLUTIONS (the "Company") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The Company is organised as an investment company (société d'investissement à capital variable) registered under Part I of the Luxembourg Law of 17 December 2010 concerning undertakings for collective investment (the "Law of 2010").

Distribution of this Prospectus is not authorised unless it is accompanied, insofar as available, by a copy of the latest available annual report of the Company containing the audited balance sheet and a copy of the latest semi-annual report, if published after such annual report. A Key Investor Information Document is available for each Class of Shares of the Sub-Funds of the Company (each a "KIID" or collectively the "KIIDs"). The Prospectus, the KIIDs for each Sub-Fund and the respective annual and semi-annual reports may be obtained free of charge from the registered office of the Company, all paying agents and sales agencies. It is prohibited to disclose information on the Company which is not contained in this Prospectus, the documents mentioned in this Prospectus, the latest annual report or any subsequent semi-annual report.

All capitalised terms used in this Prospectus shall have the meanings given under the section "Definitions" unless the context requires otherwise.

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

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and the Reports. Any other information given or representations made by any person may not be relied upon as having been authorised by the Company. The delivery of this Prospectus or the issue of Shares shall not under any circumstances create any implication the affairs of the Company have not changed since the date of this Prospectus.

The Shares may be listed on the Luxembourg Stock Exchange. The Directors of the Company may decide to make an application to list the Shares on any other recognised stock exchange.

The Company is registered under the Law of 2010 as a UCITS. This registration does not require any Luxembourg supervisory authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Company. Any representation to the contrary is unauthorised and unlawful.

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

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

United States: The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Company has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined in Regulation S under the Securities Act) except to certain qualified US institutions in reliance on certain exemptions from the registration

requirements of the Securities Act and the Investment Company Act and with the consent of the Company. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Articles restrict the sale and transfer of Shares to US Persons and the Company may compulsorily redeem Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the Securities Act and the Investment Company Act.

This Prospectus does not have the purpose or the effect of initiating, directly or indirectly, the purchase of a product or the rendering of a service by the Company to Argentina, Brazil, Chilean, Colombia, Peruvian or Uruguay residents. By receiving this Prospectus, the recipient acknowledges and agrees that it has contacted the Company at its own initiative and not as a result of any marketing efforts, promotion, advertising, or publicity by the Company or any of its respective agents or representatives. The recipient of this Prospectus acknowledges that (1) receiving this Prospectus does not constitute a solicitation from the Company for its products and/or services, and (2) they are not receiving from the Company any direct or indirect promotion or marketing of financial and/or securities-related products and/or services.

Investors shall notify the Company and/or the Central Administration Agent: (i) if they become unauthorised persons; (ii) if they hold Shares in breach of applicable laws and regulations, this Prospectus or the Articles; or (iii) in any circumstances which may affect the taxation of and/or have legal and/or regulatory consequences for the Company or the Shareholders or which may otherwise have a negative impact on the Company or other Shareholders.

Personal data:

Shareholders should note that by completing the Application Form (as defined hereafter) they are providing to the Company personal information, which may constitute personal data within the meaning of data protection laws, in particular the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data (the "General Data Protection Regulation").

This entails that any information concerning Shareholders who are natural persons and other related natural persons such as their representatives, and/or authorised signatories and ultimate beneficial owner(s) (together the "Data Subjects") which allows the Data Subjects to be directly or indirectly identified (the "Data"), which is provided to, or collected by or on behalf of, the Company (directly from Data Subjects or from publicly available sources) will be processed by the Company as data controller (the "Controller") in compliance with applicable data protection law, in particular the General Data Protection Regulation.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Company may result in the investor not being able to invest in the Company or may prevent them from maintaining their holdings in the Company and may be reported by the Company and the Management Company and the Central Administration Agent to the relevant Luxembourg authorities.

Data will be processed by the Controller and disclosed to, and processed by, service providers of the Controller such as the Management Company, the Depositary and Central Administration Agent, the Auditors, the Investment Manager, investment advisers, the Distributor and its appointed sub-distributors, legal and financial advisers or to the Company's sponsor and its affiliates (the "Processors") for the purposes of (i) processing subscriptions, redemptions and conversions and providing financial and other information to Investors, (ii) maintaining the register of shareholders, (iii) offering and managing investments and holdings of the

shareholders and performing the services related to their shareholding in the Company including payment of dividends, (iv) enabling the Processors to perform their services for the Company, or (v) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations (the "Purposes").

The Processors shall act as processors on behalf of the Controller and may also process Data as controller for their own purposes.

Any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors in compliance with all applicable legal or regulatory obligations and (ii) will be retained for a period of up to 11 years from the date of the recording.

Data may be transferred outside of the European Union (the "EU"), to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data (such as, but not limited to, Australia, Hong Kong, South Korea, Japan and the United States in respect of members of Macquarie Group). When Data is transferred to countries which are not deemed as equivalent, it is legally required that the Company, the Management Company, the Central Administration Agent or any other agent has recourse to appropriate safeguards. The Central Administration Agent will, in the context of the delegation of data processing activities as part of its registrar and transfer agency duties transfer Data to its affiliate in Malaysia, in which case the appropriate safeguards such as binding corporate rules, an approved code of conduct, an approved certification mechanism or the execution of standard contractual clauses approved by the European Commission, of which Shareholders may obtain a copy by contacting the Central Administration Agent.

To the extent that personal data provided by investors include personal data of his/her/its representatives, and/or authorised signatories and/or beneficial owners, the investors acknowledge and agree to inform them or secure their consent to the aforementioned processing of their personal data including the transfer of their personal data to parties situated in countries outside of the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law (including, but not limited to Australia, Hong Kong, South Korea, Japan and the United States).

Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods.

The Shareholders have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority (i.e. in Luxembourg, the "*Commission Nationale pour la Protection des Données*"), or the right to withdraw any consent after it was given.

Detailed information about how Data is processed is contained in the privacy notice available in the Application Form, on [www.macquarieim.com/sicavprivacynotice](http://www.macquarieim.com/sicavprivacynotice) or on demand by contacting the Company. The privacy notice notably sets out in more detail the data subjects' rights described above, the nature of the Data processed, the legal bases for processing, the recipients of the Data and the safeguards applicable for transfers of Data outside of the EU.

The Shareholders' attention is drawn to the fact that the data protection information is subject to change at the sole discretion of the Controller, and that they will be duly informed prior to the implementation of any change.

## General:

The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Potential investors with any doubts about the contents of this document should consult their stockbroker, bank manager, accountant or other professional adviser.

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

This Prospectus has been drafted in English. This Prospectus may be translated into other languages. Where this Prospectus is translated into another language, the translation shall be as close as possible to a direct translation from the English text and any changes to the English text shall be only as necessary to comply with the requirements of the regulatory authorities of other jurisdictions. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms of this Prospectus shall be governed by, and construed in accordance with, the laws of Luxembourg. In Hong Kong, the English and Chinese texts of this Prospectus shall be equally authoritative.

The "MACQUARIE" word and "HOLEY DOLLAR" device, are names, trademarks, service marks, logos and icons of Macquarie Group Limited ("Macquarie"), and are used subject to license. The names, trademarks, service marks, logos and icons of Macquarie may not be used in any manner without the express prior written permission of Macquarie.

**Investment in a Sub-Fund should be regarded as a long-term investment. There can be no guarantee that the investment objectives of a Sub-Fund will be achieved.**

**A Sub-Fund's investments are subject to market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. The value of an investment in a Sub-Fund and any income from it may fall as well as rise and investors may not get back the amount originally invested.**

**The investments of a Sub-Fund may be denominated in currencies other than the Reference Currency of that Sub-Fund. The value of those investments (when converted to the Reference Currency of that Sub-Fund) may fluctuate due to changes in the exchange rates. The price of Shares and the income from them can go down as well as up and investors may not realise their initial investment and may experience a total loss of all income and capital invested.**

**Attention is drawn to the sections "Risk Considerations" in this Prospectus and in respect of each Sub-Fund in Annex A to this Prospectus.**

**Potential investors should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) foreign exchange restrictions or exchange control requirements which they might encounter under the laws of domicile and which might be relevant to the subscription, purchase, holding, conversion or disposal of Shares.**



## **2. DIRECTORY**

### **Registered Office of the Company**

11/13, boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg

### **Directors**

The directors of the Company are set out in section 5.1 of this Prospectus.

### **Management Company**

Lemanik Asset Management S.A.  
106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg

### **Depository and Central Administration Agent**

RBC Investor Services Bank S.A.  
14 Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

### **Investment Managers and Sub-Investment Managers**

See Annex A for details of the Investment Managers and Sub-Investment Managers appointed for a particular Sub-Fund

### **Distributor**

Macquarie Investment Management Europe Limited (Regulated by the Financial Conduct Authority)  
Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom

### **Auditors**

PricewaterhouseCoopers, *société coopérative*  
2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

### **Legal Advisers in Luxembourg**

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

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### **3. DEFINITIONS**

"ADRs"	American depository receipts;
"ADSs"	American depository shares;
"Annex A"	An annex to this Prospectus containing information with respect to the investment objective and investment strategy of a particular Sub-Fund;
"Annex B"	An annex to this Prospectus containing information with respect to available Classes, currency hedging and charges to investors;
"Articles"	The Articles of Incorporation of the Company as amended from time to time;
"Auditors"	The firm named as the approved statutory auditors of the Company in the Directory;
"Business Day"	Any weekday on which banks are open during all-day or half-day for business in Luxembourg;
"Central Administration Agent"	RBC Investor Services Bank S.A., acting as fund administrator, registrar and transfer agent, domiciliary agent and listing agent;
"China" or "PRC"	the People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) and the term "Chinese" shall be construed accordingly;
"China A-Shares"	Shares issued by PRC companies, denominated in RMB (CNY) and traded on the PRC Stock Exchanges;
"Class" or "Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or fees or charges and/or distribution policies, minimum initial or additional subscription or holding amounts or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in Annex B;
"Commitment Approach"	A risk quantification method applied by the Management Company as set out in section 6.4 of this Prospectus, whose purpose is the assessment of the global exposure of a Sub-Fund. On the basis of this approach, the positions on financial derivative instruments will be converted into equivalent positions on the underlying assets in accordance with the

	relevant requirements deriving from Luxembourg laws and regulations;
"Company"	Macquarie Fund Solutions;
"Conversion Fee"	Has the meaning set out in section 7.3.3;
"CSSF"	Commission de Surveillance du Secteur Financier, the Luxembourg authority for the supervision of the financial sector;
"Dealing Cut-off Time"	Means, in relation to each Sub-Fund, the time set out in Annex A prior to which orders for subscriptions, conversions and redemptions for Shares have to be received by the Central Administration Agent;
"Dealing Day"	Means the Business Day(s) specified in Annex A for each Sub-Fund on which Shares of the Sub-Fund can be subscribed, redeemed or converted.  Certain Sub-Funds may include additional non-Dealing Days. These non-Dealing Days would occur on certain days when markets or exchanges on which a substantial portion of a Sub-Fund's investments is traded are closed. A list of expected non-Dealing Days per Sub-Fund or specific Class of Shares is available at the registered office of the Company upon request and on <a href="http://www.mim-emea.com/sicav">http://www.mim-emea.com/sicav</a> ;
"Depository"	RBC Investor Services Bank S.A., acting as depository of the Company;
"Directors"	The members of the board of directors of the Company for the time being and any successors to such members as may be appointed from time to time;
"Distributor"	Macquarie Investment Management Europe Limited or any other person from time to time appointed by the Company to distribute one or more Classes of Shares;
"EU"	European Union;
"EU Member State"	Any of the member states of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU;
"EUR" or "€"	Official currency of the European Monetary Union;
"EDRs"	European depository receipts;

"Eligible Market"	A market as described in sections 6.2 I.(1)(a) through 6.2 I.(1)(c);
"Eligible State"	Any EU Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"FATCA"	The Foreign Account Tax Compliance Act as enacted by the United States Congress in March 2010;
"GBP" or "£"	Official currency of the United Kingdom;
"GDRs"	Global depository receipts;
"Ineligible Applicant"	An ineligible applicant as described under section 7.1.6;
"Initial Charge"	Has the meaning set out in section 7.1.3;
"Initial Issue Price"	The fixed price described as the "Initial Issue Price" for a Share (where applicable) in Annex B;
"Initial Offer Period"	The period determined by the Directors during which Shares are offered for subscription at a fixed price as specified in Annex B;
"Institutional Investors"	An investor meeting the requirements to qualify as an institutional investor for the purposes of article 174 of the Law of 2010;
"Investment Company Act"	As defined under section 1 "Important Information";
"Investment Manager"	Each investment manager listed in Annex A;
"Issue Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"KIID" or collectively "KIIDs"	The key investor information document as defined by the Law of 2010 and applicable regulations which replaces the simplified prospectus of each Sub-Fund. It shall be updated at least once a year, and provide potential investors and Shareholders with key information about each Sub-Fund and should be read in conjunction with the Prospectus and the latest Reports available;
"Launch Date"	The date on which the Company first issues Shares relating to a Sub-Fund in exchange for the subscription monies, as set out in Annex B;
"Law of 2010"	Luxembourg Law of 17 December 2010 concerning undertakings for collective investment as amended from time to time;

"Management Company"	Lemanik Asset Management S.A.;
"Macquarie Group"	Macquarie Group Limited and its affiliates, subsidiaries and parent undertakings;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in Annex B;
"Minimum Additional Subscription Amount"	The minimum value of any subsequent subscription by a Shareholder in a Sub-Fund as defined per Sub-Fund in Annex B;
"Minimum Initial Subscription Amount"	The minimum value of the first subscription by a Shareholder in a Sub-Fund as defined per Sub-Fund in Annex B;
"Minimum Redemption Amount"	The minimum value of any redemption by a Shareholder in respect of a Sub-Fund as defined per Sub-Fund in Annex B;
"Money market instruments"	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Net Asset Value"	The net asset value of the Company, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"PRC Stock Exchanges"	The Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange that may open in the PRC in the future;
"Prospectus"	This prospectus relating to the issue of Shares in the Company, which includes Annexes A and B, as amended or replaced from time to time;
"REITs"	Real estate investment trusts;
"Redemption Fee"	Has the meaning set out in section 7.2.4;
"Redemption Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, subject to the application of any Redemption Fee and/or dilution levy;
"Reference Currency"	In relation to a Sub-Fund, the currency stipulated in Annex A as the base currency of the relevant Sub-Fund and, in relation to a Class of Shares, the currency stipulated in Annex B as the currency in which the Net Asset Value of such Class of Shares is calculated;

"Regulated Market"	A market within the meaning of Directive 2004/39/CE of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and any other regulated market, which operates regularly and is recognised and open to the public;
"Reports"	Means, as the case may be, the annual or semi-annual reports of the Company;
"Securities Act"	As defined under section 1 "Important Information";
"Share"	A share of no par value of any Class in the Company;
"Shareholder"	A person recorded as a holder of Shares in the Company's register of shareholders;
"Specified US Person"	A US Person, within the meaning of FATCA, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organisation exempt from taxation under section 501(a) of the US Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (vi) any bank as defined in section 581 of the US Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the US Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the US Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the US Internal Revenue Code;
"Sub-Fund"	A separate portfolio of assets for which a specific investment

policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund;

"Sub-Investment Manager"	Any investment manager appointed by the Investment Manager and listed in Annex A;
"Swap"	Has the meaning set out in the description of the relevant Sub-Fund in Annex A;
"Transferable securities"	Means: a) shares and other securities equivalent to shares; b) bonds and other debt instruments; and c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments referred to in article 42 of the Law of 2010;
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to Council Directive 2009/65/EC, as amended;
"other UCI"	An Undertaking for Collective Investment within the meaning of points a) and b) of Article 1(2) of Council Directive 2009/65/EC, as amended;
"Underlying Asset(s)"	The asset(s) to which a particular Sub-Fund seeks investment exposure, as disclosed in the description of the relevant Sub-Fund in Annex A;
"United States"	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
"USD" or "US\$"	Official currency of the United States of America;
"US Person"	Unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a



pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as US persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the US Commodity Futures Trading Commission's regulations by virtue of its participants being non-US Persons; or (vi) any other "US Person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the US Commodity Exchange Act, as amended;

"Valuation Day"

Any day as defined per Sub-Fund in Annex A; and

"VaR"

Value-at-Risk, meaning a risk quantification method applied by the Management Company as set out in section 6.4 of this Prospectus, which takes into consideration the sources of global exposure (general and specific market risks) which might lead to a significant change in a Sub-Fund's value. The purpose of a VaR model is to quantify the maximum potential loss which might be generated by a UCITS portfolio in normal market conditions.

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

All references to a directive, enactment, circular, rule or statutory provision is a reference to it as it may have been, or may from time to time be amended, modified, consolidated or re-enacted.

The words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

#### **4. DESCRIPTIONS OF THE COMPANY AND ITS SUB-FUNDS**

##### **4.1 The Company**

The Company was incorporated as an open-ended investment company (société d'investissement à capital variable – SICAV) with multiple compartments on 16 December 2008. The duration of the Company is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was Euro 31,000. On incorporation all the Shares representing the initial capital were subscribed for and were fully paid. A capital of Euro 1,250,000 must be reached within a period of six months following the authorisation of the Company. The Company has appointed a management company authorised in accordance with chapter 15 of the Law of 2010. The Company is registered with the Registre de Commerce et des Sociétés of Luxembourg under the number B 143.751. The Articles were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on 23 January 2009 and the latest amendments thereto dated 30 May 2017 were published in the Recueil électronique des sociétés et associations (RESA). The Articles are on file with the Registre de Commerce et des Sociétés of Luxembourg.

The capital of the Company will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each Share is entitled to one vote at all meetings of Shareholders.

##### **4.2 The Sub-Funds**

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

## **5. MANAGEMENT AND ADMINISTRATION OF THE COMPANY**

### **5.1 Board of Directors and Management**

The Directors are responsible for the overall management and control of the Company.

The Directors of the Company are:

- Stephen Haswell,  
*Division Director, Macquarie Asset Management, Macquarie Investment Management Europe Limited, Niederlassung München, Munich (Germany)*
- Jacques Elvinger  
*Partner, Elvinger Hoss Prussen, société anonyme, Luxembourg (Grand Duchy of Luxembourg)*
- Richard Salus  
*Division Director, Macquarie Asset Management, Macquarie Investment Management, Philadelphia, Pennsylvania (United States of America)*
- Rosa Villalobos  
*Division Director, Macquarie Asset Management, Macquarie Infrastructure and Real Assets S.à r.l., Luxembourg (Grand Duchy of Luxembourg)*
- Fernand Grulms  
*Independent Director, Grand Duchy of Luxembourg*

### **5.2 Management Company**

The Directors have appointed Lemanik Asset Management, Grand Duchy of Luxembourg S.A. as the Management Company of the Company to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing, and investment management services in respect of all Sub-Funds.

In respect of all Sub-Funds, the Management Company has delegated, under its control and responsibility, the investment management function to the Investment Managers and the marketing and distribution function to the Distributor.

The Management Company has delegated the administration functions to the Central Administration Agent.

The Board of Directors of the Management Company are as follows:

- Mr Gianluigi SAGRAMOSO, Chairman
- Mr Carlo SAGRAMOSO, Vice-Chairman
- Mr Philippe MELONI, Member

The Management Company was incorporated as a "société anonyme" under the laws of the Grand Duchy of Luxembourg on 1 September 1993 and is approved as a Management Company regulated by chapter 15 of the Law of 2010.

The Management Company shall also ensure compliance of the Company with the investment restrictions and oversee the implementation of the investment policy of each Sub-Fund.

The Management Company will receive periodic reports from the Company's service providers in relation to the services which they provide. The Management Company shall also submit its own report to the Directors on a periodic basis and inform the Directors without delay of any non-compliance of the Company with the investment restrictions.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request at the Management Company's registered office.

The Management Company has established and applies a remuneration policy 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, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the "Remuneration Policy").

The Remuneration Policy includes fixed and variable components of salaries and applies 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 Company, the Company or the Sub-Funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm)

A paper copy of the Remuneration Policy is available free of charge to the Shareholders upon request.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a) the 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;
- b) the 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;
- c) 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;
- d) the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Company and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
- e) the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the Law of 2010; and

- f) the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.

In context of delegation, the Remuneration Policy will ensure that the delegates comply with the following:

- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b) if at any point of time, the management of the Company were to account for 50% or more of the total portfolio managed by the delegate, at least 50% of any variable remuneration component will have to consist of Shares, 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 item; and
- c) 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 Shareholders and is correctly aligned with the nature of the risks of the Company.

### **5.3 Investment Managers and Sub-Investment Managers**

Each Investment Manager has discretionary management powers in respect of each Sub-Fund for which it provides investment management services. Details of the Investment Managers are set out for each Sub-Fund in Annex A.

Each Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company and the Company which may be amended from time to time to provide day-to-day management of the Company's investments, subject to the overall supervision and responsibility of the Management Company.

With the prior consent of the Management Company, the Investment Manager may delegate, under its responsibility and at its own cost and expense, to one or more sub-investment managers the investment management, on a day-to-day basis in respect of some or all of the securities and other assets constituting any of the Sub-Funds of the Company.

### **5.4 Depositary and Central Administration Agent**

The Company has appointed RBC Investor Services Bank S.A., having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the "Depositary") of the Company with responsibility for the

- (a) safekeeping of the assets,
- (b) oversight duties,
- (c) cash flow monitoring, and,
- (d) principal paying agent functions.

in accordance with the Law of 2010, the CSSF Circular 16/644 and the applicable Depositary Bank and Principal Paying Agent Agreement entered into between the Company and RBC

Investor Services Bank S.A. (the "**Depository Bank and Principal Paying Agent Agreement**").

RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B-47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2017 amounted to approximately EUR 1,120,326,088.

The Depository has been authorised by the Company to delegate its safekeeping duties (i) to delegates in relation to other Assets and (ii) to sub-custodians in relation to Financial Instruments and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depository and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depository or via the following website link:

<https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>

The Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders in the execution of its duties under the Law and the Depository Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depository will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Law of 2010 and with the Company's Articles,
- ensure that the value of Shares is calculated in accordance with the Law of 2010 and the Articles,
- carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the Law of 2010 or the Articles,
- ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits,
- ensure that the income of the Company is applied in accordance with the Law of 2010 or the Articles.

The Depository will also ensure that cash flows are properly monitored in accordance with the Law of 2010 and the Depository Bank and Principal Paying Agent Agreement

#### *Depository conflicts of interests*

From time to time conflicts of interests may arise between the Depository and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depository analyses, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

Further, potential conflicts of interest may arise from the provision by the Depository and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depository and/or its affiliates may act as the depository, custodian and/or

administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a management of conflicts of interests' policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests situations in:
  - Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
  - Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
    - RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
    - RBC does not accept any delegation of the compliance and risk management functions.
    - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC.
    - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link:

[https://www.rbcits.com/AboutUs/CorporateGovernance/p\\_InformationOnConflictsOfInterestPolicy.aspx](https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx).

RBC Investor Services Bank S.A. has further accepted the appointment as fund administrator, registrar and transfer agent, domiciliary agent and listing agent to the Company. In such capacity, the Central Administration Agent is responsible for calculating the Net Asset Value of the Company and its relevant Sub-Funds or classes and maintaining the accounting records of the Company, handling and processing all subscription, redemption and conversion orders, for keeping the register of Shareholders and for mailing and publicising statements, reports and notices to Shareholders and for listing the Company's Shares on the Luxembourg Stock Exchange (if required).

## **5.5 Auditors**

PricewaterhouseCoopers, *société coopérative*, has been appointed as the approved statutory auditors of the Company.

## **5.6 Conflicts of Interest and Related Party Transactions**

Certain service providers to the Company are associated with the Macquarie Group, an international provider of banking, financial, advisory and investment services. Due to the diverse nature of the Macquarie Group's activities, conflicts of interest may arise. Further, in the ordinary

course of business, the Macquarie Group engages in activities where its interests or the interests of its clients may conflict with the interests of the Company. Actual and potential conflicts of interest are to be managed in accordance with applicable laws, and applicable conflicts management procedures, and are to be resolved fairly, taking into account the interests of the parties involved in the conflict and the circumstances giving rise to the conflict. Accordingly, conflicts may not necessarily be resolved in favour of the Company.

Related party transactions entered into by the Company or a Sub-Fund with a Macquarie Group member are conducted on arm's length terms at normal commercial rates. Where this is the case, there will be no obligation on the part of any Macquarie Group member to account to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant Macquarie Group member.

The following is a general outline of the types of conflicts that may arise. By acquiring Shares in the Company, investors will be deemed to acknowledge the existence of these and all other actual and potential conflicts of interest.

#### **5.6.1 Board of Directors**

Some or all of the Directors of the Company may also be directors of an Investment Manager or the Distributor or are otherwise employees of or associated with the Macquarie Group. The Directors of the Company and directors and employees of other Macquarie Group members may also receive remuneration based on the performance of the Company or a Sub-Fund.

Some or all of the Directors may, subject to law, hold Shares in the Company from time to time. When acting in their capacity as a shareholder, they may act in accordance with their own interests which may conflict with the interests of other Shareholders.

When acting in their capacity as Directors, the Directors will comply with their primary obligation to take any action necessary or useful to realise the corporate object of the Company and in this regard will not be subject to the control or direction of the Macquarie Group.

#### **5.6.2 Management Company**

The Management Company may act as the management company of other open-ended investment companies or collective investment schemes.

#### **5.6.3 Depositary and Central Administration Agent**

The Depositary and Central Administration Agent may from time to time act for or be otherwise involved in or with, other open-ended investment companies or collective investment schemes or clients which have similar investment objectives to those of any Sub-Fund. It is therefore, possible that it, in the course of business, may have potential conflicts of interest with a Sub-Fund. It will, at all times, have regard in such event to its obligations to the Sub-Fund and will ensure that such conflicts are resolved in accordance with the applicable law.

#### **5.6.4 Investment Managers and Sub-Investment Managers – General**

The Investment Managers, the Sub-Investment Managers and other members of the Macquarie Group may from time to time establish, sponsor, manage or advise other funds, collective investment schemes or clients on investments pursuant to investment strategies that are identical or similar to that of a Sub-Fund. An Investment Manager or a Sub-Investment Manager



may give advice and take action in the performance of its duties for other clients which differ from advice given and action taken in relation to a Sub-Fund.

An Investment Manager, a Sub-Investment Manager and other members of the Macquarie Group may actively engage in transactions in the same investments sought by a Sub-Fund, or deal in, including the undertaking of market making activities, any property of the kind included in the property of the Sub-Fund for their own account or for the account of a third party, or engage in trading or hedging transactions involving the Sub-Fund and may issue instruments the value of which is linked to the value of those securities and, therefore, may compete with a Sub-Fund for investment opportunities. These activities may affect the market value or prevailing level of a Sub-Fund, or could result in the Macquarie Group having interests which conflict with those of the Shareholders. Where an Investment Manager, a Sub-Investment Manager enters into a trade on behalf of one or more clients, it will act in good faith in determining any allocation of that trade to the participating clients, including the Sub-Funds.

The Investment Managers, the Sub-Investment Managers and other members of the Macquarie Group may deal as agent or principal in the sale or purchase of securities and other investments to or from the Company or a Sub-Fund, or may act as calculation agent for an investment of the Company or a Sub-Fund, or a Sub-Fund may seek to make an investment where a member of the Macquarie Group provides investment advisory, operational, consulting or other similar services. Customary fees and/or compensation from a Sub-Fund or the Company will be payable on an arms-length and commercial basis based on the scope of services to be provided. Such activities could affect the value of the assets of the Company or a Sub-Fund.

An Investment Manager, Sub-Investment Manager or other members of the Macquarie Group, or their directors, employees or affiliates may, subject to law, hold Shares in the Company from time to time. When acting in their capacity as a shareholder, they may act in accordance with their own interests which may conflict with the interests of other Shareholders.

From time to time, the Company or the Sub-Fund's activities may be restricted due to regulatory restrictions applicable to the Macquarie Group, and/or its internal policies designed to comply with such restrictions. As a result, there may be periods, for example during which the Investment Manager or the Sub-Investment Manager may be restricted from engaging in certain transactions.

The Macquarie Group has put in place Information Barriers among its various businesses. The Information Barriers are information barriers that prevent confidential or potentially price-sensitive information held within one area in the Macquarie Group being communicated to another area. The Macquarie Group's Information Barriers involve a combination of both structural measures (for example, physical separation among areas and security and access restrictions) and employee conduct measures (for example, trading blackout periods and policies against insider trading).

#### **5.6.5 Cash Rebates and Soft Commission**

An Investment Manager or a Sub-Investment Manager may effect transactions through the agency of another person with whom the Investment Manager or a Sub-Investment Manager has an arrangement under which that party will, from time to time, provide or procure for the Investment Manager or a Sub-Investment Manager goods, services or other benefits such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc. Under such arrangements, no direct payment is made for such services or benefits, but instead pursuant to an agreement, the

Investment Manager or a Sub-Investment Manager undertakes to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. In such case, the relevant Investment Manager or a Sub-Investment Manager shall ensure that such arrangements shall assist in the provision of investment services to the relevant Sub-Fund and the broker/counterparty to the arrangement has agreed to provide best execution to the relevant Sub-Fund. Brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager or the Sub-Investment Manager to broker-dealers that are entities and not to individuals. The Investment Manager or the Sub-Investment Manager will provide reports to the Management Company with respect to soft commission arrangements including the nature of the services it receives.

#### **5.6.6 Investments of the Sub-Funds**

Any assets of the Company in the form of cash or securities may be deposited with members of the Macquarie Group or invested in certificates of deposit or other banking investments issued by any of them, subject to counterparty limits as set out in the investment restrictions.

## **6. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

### **6.1 Investment Objectives and Policies**

The investment objectives and policies of each Sub-Fund are set out in Annex A.

### **6.2 Investment Restrictions**

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

- I. (1) The Company, for each Sub-Fund, may invest in:
  - a) transferable securities and money market instruments (as both are defined in the section "Definitions") admitted to or dealt in on a Regulated Market;
  - b) transferable securities and money market instruments dealt in on another market in an EU Member State which is regulated, operates regularly and is recognised and open to the public;
  - c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another market in an Eligible State which is regulated, operates regularly and is recognised and open to the public;
  - d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of issue;
  - e) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:
    - 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, and
    - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Council Directive 2009/65/EC, as amended, and
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period, and
    - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

- f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the Underlying Asset(s) consist(s) of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative; and
- h) money market instruments other than those dealt in on a Regulated Market, if 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:
  - issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on an Eligible Market, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC<sup>1</sup>, 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

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<sup>1</sup> repealed and replaced by Directive 2013/34/EU.

dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

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

II. The Company may hold ancillary liquid assets.

- III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body.
- (iii) The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in section (I) (1) (f) above or 5% of its net assets in other cases.
- b) Where a Sub-Fund holds investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

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

- investments in transferable securities or money market instruments issued by that body,
  - deposits made with that body, and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in section (III) (a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, a non-EU Member State or public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in section (III) (a) (i) above is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are

capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

- e) The transferable securities and money market instruments referred to in sections (III) (c) and (d) above shall not be included in the calculation of the limit of 40% in section (III) (b) above.

The limits set out in sections (III) (a), (b), (c) and (d) above may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC<sup>2</sup> or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this section III.

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

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in different transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities or by states including but not limited to another member state of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more EU Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV.
  - a) Without prejudice to the limits laid down in section (V) below, the limits provided in section (III) above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is recognised by the CSSF on the basis that the index: is sufficiently diversified in terms of its composition; represents an adequate benchmark for the market to which it refers; and is published in an appropriate manner;

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<sup>2</sup> repealed by Directive 2013/34/EU.

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

V.

- a) The Company or the Management Company acting in connection with all of the UCITS which it manages, may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- b) The Company may acquire no more than:
  - 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the money market instruments of the same issuer.

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

- c) The provisions of sections (V) (a) and (b) above shall not be applicable to transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State, or issued by public international bodies of which one or more EU Member States are members.

The provisions of sections (V) (a) and (b) are also waived as regards shares held by the Company in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-EU Member State complies with the limits laid down in sections (III) (a) to (e), (V) (a) and (b) and (VI). Where the limits of sections (III) (a) to (e) and (VI) (a) to (d) are exceeded, the provisions of section (IX) shall apply *mutatis mutandis*.

VI.

- a) The Company may acquire units of the UCITS and/or other UCIs referred to in section (I) (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or other UCI unless otherwise provided expressly in respect of each Sub-Fund in Annex A.

For the purpose of the application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments within the meaning of article 181 of the Law of 2010 is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments of such UCITS or other UCI vis-à-vis third parties is ensured.

- b) If, according to the provisions of the relevant Sub-Fund in Annex A, a Sub-Fund is entitled to invest more than 10% of its net assets in units of UCITS and/or other UCIs, investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the Sub-Fund.
- c) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under section (III) above.
- d) When a Sub-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 the same Investment Manager by any other company with which the Management Company or the Investment Manager (as the case may be) is linked by common management or control, or by a substantial direct or indirect holding of more than 10% by capital or voting power, that Management Company, Investment Manager or other company may not charge an initial charge or a redemption fee.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or UCIs shall disclose in Annex A the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which it intends to invest. In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or UCIs in which the Sub-Fund invests

In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

If an Investment Manager invests in units of an UCITS or other UCI pursuant to the above paragraph which has a lower actual (all-in) investment management fee than the Management Fees set out in Annex B, the Investment Manager may – instead of charging the aforementioned reduced all-in management fee on the assets invested in the Sub-Fund in question – charge the difference between the actual Management Fees of the Sub-Fund and the actual (all-in) investment management fee of the other UCITS or UCI.

- e) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

## VII.

A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company (each, a "Target Sub-Fund"), without the Company being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:



- the Target Sub-Fund(s) does(do) not, in turn, invest in the Investing Sub-Fund invested in this(these) Target Sub-Fund(s); and
- no more than 10% of the assets of the Target Sub-Fund(s) whose acquisition is contemplated, may, according to its(their) investment policy, be invested in units of other UCITS or other UCIs; and
- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund(s), and this (these) Target Sub-Fund(s).

VIII. Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Regulations (i) create a Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS (or vice versa), or (iii) change the Master UCITS of any of its Feeder UCITS.

IX. The Company shall ensure for each Sub-Fund that the global exposure relating to financial derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the Underlying Assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the Underlying Assets may not exceed in aggregate the investment limits laid down in section (III) above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section (III) above.

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 (VII).

- X.
- a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans.
  - b) The Company may not grant loans to or act as guarantor on behalf of third

parties.

This restriction shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in sections (I) (1), (e), (g) and (h) above which are not fully paid.

- c) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections (I) (1) (e), (g), and (h).
- d) The Company may only acquire movable or immovable property which is essential for the direct pursuit of its business.
- e) The Company may not acquire either precious metals or certificates representing them.

- XI.
- a) The Company needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from sections (III), (IV), and (VI) (a), (b), (c) and (d) above for a period of six months following the date of their creation.
  - b) If the limits referred to in section (IX) (a) above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
  - c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in sections (III), (IV) and (VI) (a), (b), (c) and (d) above.

### **6.3 Financial Derivatives and Techniques and Instruments**

The use of financial derivatives or efficient portfolio management techniques and instruments may not cause the Company to stray from the investment objectives set out in the description of the Sub-Funds in Annex A.

To the maximum extent allowed by, and within the limits set forth in the laws and regulations applicable to the Company, in particular the provisions of (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Law, of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and CSSF Circular 11/512 and of (iii) CSSF circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937ER) (as these pieces of regulations may be amended or replaced from time to time), the Company may for the purpose

of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non optional repurchase agreements and (B) engage in securities lending transactions and (c) enter into financial derivative instruments as set out in Annex A.

The use of financial derivatives or efficient portfolio management techniques and instruments involves certain risks as more fully described under "Risk Considerations" and in Annex A.

The annual report of the Company shall provide details regarding the counterparties to these transactions and the collateral received.

Investors should note that the investment policies of the Sub-Funds do currently not provide for the possibility to enter into securities lending and/or repurchase transactions. Should the Board of Directors decide to provide for such possibility, the Prospectus will be updated prior to the entry into force of such decision in order for the Company to comply with the disclosure requirements of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

### **6.3.1 Financial Derivatives**

Financial derivatives include transactions in financial futures contracts and options thereon. The Sub-Funds may also engage in transactions in options and warrants on portfolio securities, on bond and stock indices and on portfolios of indices. The Sub-Funds may seek to hedge their investments against currency fluctuations which are adverse to the respective currencies in which these Sub-Funds are denominated by utilising currency options, futures contracts and forward foreign exchange contracts. In this regard, the currency exposure of a Sub-Fund may be managed with reference to the market benchmark used for the investments of such Sub-Fund. In that case, the benchmark will be disclosed in the description of the relevant Sub-Fund. The currency exposure resulting from such benchmark may or may not be hedged against the reference currency of the Sub-Fund. Within the limits set out herein, each Sub-Fund also use forward foreign exchange contracts, currency options or currency swaps to alter the currency composition of the Sub-Fund's portfolio with reference to such benchmarks.

The Sub-Funds may sell interest rate futures contracts, write call options or purchase put options on interest rates or enter into swap agreements for the purpose of hedging against interest rate fluctuations.

Each Sub-Fund may also, for a purpose other than hedging, purchase and sell futures contracts and options on any kind of financial instrument within the limitations specified in the investment restrictions referred to above.

Counterparties of the financial derivative transactions are assessed on their creditworthiness based on their long term rating. The perceived creditworthiness of the counterparty will determine whether financial derivatives may be entered into with the respective counterparty.

Should a Sub-Fund invest in financial derivative instruments related to an index for investment purposes, information on the index and its rebalancing frequency would be disclosed in the description of the relevant Sub-Fund in Annex A, eventually by way of reference to the website of the index sponsor as appropriate.

Should a Sub-Fund invest in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties would be described in respect of the relevant Sub-Fund in Annex A.

In order to achieve the investment objective of certain of its Sub-Funds, the Company may enter into total return swaps which are derivatives contracts in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

Where a Sub-Fund enters into total return swaps (including total return index swaps) as of the date of this Prospectus, the maximum and the expected proportion of the relevant Sub-Fund's net assets that could be subject to such transactions is set out in the section of the Annex A relating to the relevant Sub-Fund. If and when a Sub-Fund enters into total return swaps, it is for the purpose of achieving its investment objective.

The following types of assets can be subject to total return swaps: equity, currency and/or commodity indices, volatility variance swaps as well as fixed income, most notably high yield corporate and bank loan related exposures.

All revenues arising from total return swaps will be returned to the relevant Sub-Fund, and the Investment Manager and the Management Company will not take any fees or costs out of those revenues additional to the management fee applicable to the relevant Sub-Fund.

The risk of counterparty default and the effect on investors returns are described under section "10.2.4 Counterparty Risk".

Each Sub-Fund may enter into swap contracts under which the Sub-Fund and the swap counterparty agree to exchange payments where one or both parties pay the returns generated by an Underlying Asset, such as a security, instrument, basket or index thereof. The payments made by the Sub-Fund to the counterparty and vice versa are calculated by reference to the Underlying Asset and an agreed-upon notional amount. Potential Underlying Assets include currencies, interest rates, prices and total return on interest rates indices, fixed income indices, stock indices and commodities indices.

If any Sub-Fund intends to invest in financial derivatives on a regular and ongoing basis, the relevant financial derivatives will be described more specifically in the description of the Sub-Funds in Annex A.

### **6.3.2 Efficient portfolio management techniques and instruments**

The Company, in order to generate additional revenue for Shareholders, may engage in securities lending transactions subject to complying with the provisions set forth in the above-mentioned laws and regulations applicable to the Company.

The Company may enter, either as purchaser or seller, into repurchase agreements with highly rated financial institutions specialised in this type of transaction. During the lifetime of the repurchase agreements, the Company may not sell the securities which are the object of the agreement either before (i) the repurchase of the securities by the counterparty has been carried out or (ii) the repurchase period has expired. The Company must ensure it restricts the value of purchased securities subject to repurchase obligation at such a level which enables it, at all times, to meet its obligations to redeem its own Shares. Repurchase agreements will only be entered into on an ancillary basis unless otherwise provided for in the description of the relevant Sub-Fund in Annex A.

The Company shall disclose in respect of the relevant Sub-Fund in Annex A the applicable policy regarding direct and indirect operational costs/fees deducted from the revenue of the Sub-Fund resulting from instruments and techniques used for the efficient portfolio management of the Sub-Funds.

### **6.3.3 Collateral management for securities lending and repurchase agreements and for financial derivative transactions**

The collateral received by a Sub-Fund shall comply with applicable regulatory standards regarding especially liquidity, valuation, issuer credit quality, correlation and diversification.

The collateral received in connection with such transactions must meet the criteria set out in the CSSF Circular 08/356 and CSSF Circular 14/592 relating to the ESMA Guidelines on ETFs and other UCITS matters.

Non cash collateral received by a Sub-Fund in respect of any of these transactions may not be sold, reinvested or pledged.

Cash collateral received by the Company in relation to these transactions may be reinvested in a manner consistent with the investment objectives of the relevant Sub-Fund as set out in Annex A.

As the case may be, cash collateral received by a Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the Sub-Fund in (a) shares or units issued by short-term money market undertakings for collective investment as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Re – CESR/10-049), (b) short-term bank deposits with a credit institution which has its registered office in a Member State or, if the registered office is located in a third country, provided that it is subject to prudential rules considered by Luxembourg regulator as equivalent to those laid down in community law, (c) highly rated government bonds and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of cash on an accrued basis. Such reinvestment will be taken into account for the calculation of the Company's global exposure, in particular if it creates a leverage effect.

In respect of securities lending transactions, collateral will be valued by a tri-party agent, which acts as an intermediary between the two parties to the securities lending transactions. The tri-party agent is responsible for the administration of the collateral, marking to market, and substitution of collateral. The collateral is marked-to-market on a daily basis.

Collateral margins (or "haircut") shall be dependent on the asset type of the out-on-loan securities and collateral received (equities or bonds), on the type of issuers (governments or companies) as well as on the correlation between the out-on-loan securities and the collateral received. Under normal circumstances, the collateral received as security for securities lending transactions will be at least 90% of the market value of the securities lent. This percentage will be increased for counterparties with a lower perceived creditworthiness and will represent up to 200% of the market value of the securities lent.

No haircuts are applied to the cash.

<b>Eligible Collateral</b>	<b>Haircut applicable</b>
Cash	N/A
Government bonds and T-Bills	0% to 20%
Supranational bonds and municipal bonds	0% to 30%
Corporate bonds	0% to 50%
Equities	0% to 50%

#### **6.4 Risk Management Procedures**

In accordance with the Law of 2010 and the applicable regulations, in particular CSSF Circular 11/512, the Management Company, on behalf of the Company, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions taken by each Sub-Fund and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company, will employ a process for the accurate and independent assessment of the value of any OTC derivative instruments held by a Sub-Fund.

The risk management function is under the responsibility of the director of risk of the Management Company. The risk management function is responsible for monitoring the financial risks of the Company, with particular attention on financial derivative instruments and the risks associated therewith. Counterparty tests and concentration limits are monitored within the operations department and the fund compliance section of the Management Company under the responsibility of the head of Risk Management & Investment Compliance. At each board meeting of the Management Company, the risk officer provides a summary of the risk exposure for each Sub-Fund. In addition, the Management Company will issue various risk reports to the Investment Manager and the Company including the compliance monitoring report which reports compliance with counterparty and concentration limits. Those reports shall include the global exposure calculated at the level of each Sub-Fund as specified in Annex A in the description of the relevant Sub-Fund and the risk contribution calculated at the level of the Company. The occurrence of an exception will always initiate a dialogue with the Investment Manager.

Risk monitoring is tailored to each Sub-Fund's investment strategy, including its financial derivatives usage.

As further specified in Annex A in the description of each Sub Fund, the global exposure of a Sub Fund may be calculated using either:

- the relative Value-at-Risk approach,
- the absolute Value-at-Risk approach, or
- the Commitment Approach as defined in section 3 of this prospectus.

##### ***Relative VaR***

The relative VaR approach indicates the ratio of the Sub Fund's absolute VaR and its benchmark's absolute VaR, and is a measure of the risk that the Sub Fund's returns deviate from its benchmark's returns. The ratio may not, according to law, be greater than two.

##### ***Absolute VaR***

The absolute VaR approach limits the maximum VaR that a UCITS can have relative to its Net

Asset Value and shall comply with the requirements laid down in the guidelines used by the CSSF and the ESMA.

#### **6.5 Proxy voting policy**

In accordance with CSSF Circular 12/546, as amended, a summary description of the strategies for the exercise of voting rights relating to the sub-funds of Macquarie Fund Solutions will be made available to the Company's shareholders on the website [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav).

Details of the actions taken on the basis of those strategies are available to the Company's shareholders free of charge at their request at the registered office of the Company.

#### **6.6 Complaint handling policy**

Investors can contact their local country-specific agents, the Company, the Investment Manager, the Management Company, the Distributor or the Central Administration Agent to make a complaint.

## **7. DEALINGS IN SHARES**

### **7.1 Subscriptions**

Investors may subscribe for Shares in each Sub-Fund during an Initial Offer Period at the fixed price described as the "Initial Issue Price" in Annex B and thereafter as of each Valuation Day at the relevant Issue Price, in each case subject to any application of an Initial Charge and/or dilution levy, each as detailed below under the section headed "Initial Charge and dilution levy".

The Company may in its discretion decide, prior to Launch Date, to cancel the initial offering of any Class of Shares of a Sub-Fund. The Company may also decide to cancel the offering of a new Class of Shares of a Sub-Fund. In such case, applicants having made an application for subscription will be duly informed and any subscription monies already paid will be returned in the manner set out under the section headed "Rejecting or cancelling applications – General".

#### **7.1.1 Application Forms, Subscription Forms and Subscription Moneys**

For initial subscriptions, applicants should complete an Application Form (an "Application Form") and send it to the Central Administration Agent. For subsequent subscriptions, applicants need only complete a subscription form (a "Subscription Form").

Application Forms for initial purchases of Shares may be sent by post or fax to the Central Administration Agent on any Business Day. In the case of faxed Application Forms, the original Application Form should follow by post. Investors should be reminded that if they choose to send Application Forms by fax, they bear their own risk of the forms not being received by the Central Administration Agent. Investors should therefore for their own benefit confirm with the Central Administration Agent safe receipt of a form. None of the Central Administration Agent, the Investment Manager, the Management Company or the Company shall be responsible for any loss resulting from the non-receipt or duplicate receipt of any Application Form sent by fax.

Completed Application Forms or Subscription Forms must be received by the Central Administration Agent no later than the Dealing Cut-off Time on the Valuation Day, failing which the application or subscription will be treated as having been received on the next following Valuation Day. Once completed Application Forms and Subscription Forms have been received by the Central Administration Agent they are irrevocable.

Cleared subscription monies must be received on account of the Company in the Reference Currency of the relevant Class no later than the date which is the "Settlement Date for Subscriptions" specified in the description of the relevant Sub-Fund in Annex A, unless otherwise agreed with the Distributor. The Central Administration Agent may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency of denomination of the relevant Class of Shares at the prevailing exchange rate available to the Central Administration Agent and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. This may result in delay in processing the application.

If payment in full of subscription moneys has not been received by the applicable Settlement Date for Subscriptions (or the time otherwise agreed with the Distributor), or in the event of non-clearance of subscription moneys, the allotment of Shares made in respect of such subscription may, at the discretion of the Central Administration Agent, be cancelled, or alternatively, the Central Administration Agent may treat the subscription as a subscription for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of subscription moneys in full or of cleared subscription moneys. In such cases, the Company may



charge the applicant for any resulting bank charges, market losses or expenses incurred by the relevant Sub-Fund.

Different subscription procedures and time limits may apply if subscriptions for Shares are made via a sub-distributor, although the applicable Dealing Cut-off Time set out in Annex A remains unaffected. Investors should confirm the sub-distributor's dealing cut-off time and full payment instructions for subscribing via the sub-distributor if they choose to submit an Application Form or Subscription Form to a sub-distributor.

The Directors reserve the right to request the receipt of cleared subscription monies prior to the acceptance and the processing of any application for subscription at their absolute discretion.

#### **7.1.2 Fractions of Shares**

Fractions of Shares may be issued up to 2 decimal places. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights. Subscription monies representing smaller fractions of Shares will not be returned to the applicant where such subscription monies are less than €10 (or equivalent), but will be retained as part of the assets of the relevant sub-fund and accordingly available to Shareholders of the sub-fund on a pro rata basis based on each Shareholder's holding of Shares.

#### **7.1.3 Initial Charge and dilution levy**

An "Initial Charge" is a charge not exceeding the fixed percentage amount set out under the heading "Initial Charge" in Annex B, calculated by reference to the subscription moneys received from the investor. An Initial Charge may be imposed upon the issue of Shares and is payable to the Distributor or as it directs. Information about the Initial Charge is set out in Annex B under "Charges to Investors".

The Directors also have the power to apply a dilution levy on the issue of Shares, as described hereafter under section "Dilution Levy". The dilution levy applicable on any Valuation Day shall be identical for all issues of Shares dealt with as of such day.

#### **7.1.4 Subscriptions in kind**

In exceptional circumstances, the Directors may resolve that Shares may be subscribed against contributions in kind of transferable securities and other assets considered acceptable by the Directors and compatible with the investment policy and the investment objective of the relevant Sub-Fund and will be valued in report drawn up by the Auditors in accordance with the requirements of Luxembourg law. The subscribing Shareholder shall bear the costs resulting from the subscription in kind (including but not limited to costs relating to the drawing up of an auditor's report).

#### **7.1.5 Rejecting or cancelling applications – General**

The Directors reserve the right to cancel an application or subscription if subscription monies are not received on an account of the Company in cleared funds and in the Reference Currency of the relevant Class within the relevant time limit.

The Directors reserve the right to reject any application or subscription in whole or part at their absolute discretion, in which event the amount paid on the application or subscription or the balance thereof (as the case may be) will be returned (without interest) without undue delay in

the currency of application or subscription or at the discretion of the applicant, at the risk and cost of the applicant.

The Directors reserve the right to cancel the initial offering of a Class of Shares, in which event the amount paid in respect of an application submitted during the Initial Offer Period will be returned (without interest) without undue delay in the currency of application or at the discretion of the applicant, at the risk and cost of the applicant.

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

More details on application procedures are available from the Central Administration Agent upon request.

#### **7.1.6 Rejecting or cancelling applications – Ineligible Applicants**

The Application Form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, he is able to acquire and hold Shares without violating applicable laws.

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

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

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

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

Shares may also not be issued or transferred if, as a result thereof, the Company or its Shareholders may be exposed to adverse regulatory, tax or fiscal (including any tax liabilities that might derive, inter alia, from any breach of the requirements imposed by local tax legislations, such as but not limited to, the FATCA and related US regulations) consequences, and in particular if the Company may become subject to tax laws other than those of the Grand Duchy of Luxembourg (or to any other disadvantages that it or they would not have otherwise incurred or been exposed to).

Subject as mentioned above, Shares are freely transferable. The Directors may, however, resolve to compulsorily redeem from any ineligible Shareholder all or part of the Share held by such Shareholder.

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

#### **7.1.7 Form of Shares**

All the Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding, but, unless specifically required by a Shareholder and at the expense of such Shareholder, no formal share certificate will be issued.

#### **7.1.8 Suspension**

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares of the Company or a Sub-Fund in certain circumstances as described under "Net Asset Value". No Shares will be issued in the Company or the relevant Sub-Fund (as the case may be) during any such period of suspension.

### **7.2 Redemptions**

#### **7.2.1 Redemption Requests**

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Central Administration Agent by mail or by facsimile. All redemption requests are to be received by the Central Administration Agent no later than the Dealing Cut-off Time on the Valuation Day, failing which the redemption request will be treated as received on the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable on that Valuation Day or as otherwise set out in Annex A.

A redemption request, once given, is irrevocable. Shares redeemed by the Company are cancelled.

Payment of redemption proceeds will be made no later than the date which is the "Settlement Date for Redemptions" specified in the description of the relevant Sub-Fund in Annex A. Payment will be made in the Reference Currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Central Administration Agent.

The "Settlement Date for Redemptions" specified in the description of the relevant Sub-Fund in Annex A in respect of a Sub-Fund refers to the date when the relevant redemption proceeds (if any) are paid to the bank account specified by the redeeming Shareholder to the Central Administration Agent. Accordingly, an investor who is not the named Shareholder (for example, an investor dealing via a sub-distributor) may receive redemption proceeds later than the date specified as the "Settlement Date for Redemptions" for the relevant Sub-Fund.

#### **7.2.2 Staggered Redemptions**

If any application for redemption is received in respect of any one Valuation Day (the "First Valuation Day") which either by itself or when aggregated with other applications so received, is more than 10% of the Net Asset Value of any one Sub-Fund, the Directors reserve the right in

their sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Valuation Day so that not more than 10% of the Net Asset Value of the relevant Sub-Fund may be redeemed or converted on such First Valuation Day. To the extent that any application is not given full effect on such First Valuation Day by virtue of the exercise of the power to prorate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further application had been made by the shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days. With respect to any application received in respect of the First Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto shall be dealt with as set out in the preceding sentence.

### **7.2.3 Redemptions in kind**

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

### **7.2.4 Redemption Fee and dilution levy**

A "Redemption Fee" is a charge not exceeding the fixed percentage amount set out under the heading "Redemption Fee" in Annex B, calculated by reference to the Net Asset Value per Share to be redeemed. A Redemption Fee may be imposed upon the redemption of Shares and is payable to the Distributor or as it directs. Information about the Redemption Fee is set out in Annex B under "Charges to Investors".

The Directors also have the power to apply a dilution levy on the redemption of Shares, as described hereafter under section "Dilution Levy". The dilution levy applicable on any Valuation Day shall be identical for all redemptions of Shares dealt with as of such day.

### **7.2.5 Compulsory Redemptions – Institutional Investors**

As detailed in the relevant description of available Classes of Shares in Annex B, the issue of Shares of certain Classes may be restricted to Institutional Investors. The Company reserves the right to compulsorily redeem from any Shareholder who may not be considered an Institutional Investor all or part of Shares in such a Class held by such Shareholder.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Company will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted

to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

### **7.2.6 Compulsory Redemptions – Ineligible Applicants**

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant. The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement as set out in Annex B.

Shareholders are required to notify the Central Administration Agent immediately if at any time they become US Persons or Specified US Persons or hold Shares for the account or benefit of US Persons or Specified US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the Investment Company Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its Shareholders including, but not limited to, a situation in which more than 25% of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) compulsorily redeem the relevant Shares.

### **7.2.7 Compulsory Redemptions – Indemnity**

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

## **7.3 Conversions**

### **7.3.1 Conversion requests**

Subject to any prohibition of conversions set out in an Annex and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares.

All conversion requests are to be received by the Central Administration Agent by the Dealing Cut-off Time on a Valuation Day. A conversion request will be subject to the same terms as a

notice to redeem shares, except that the Company may reject a conversion request in whole or in part in its absolute discretion.

### **7.3.2 Calculation of Shares to be allotted after conversion**

The Company calculates the number of shares to be allotted after conversion using the following formula:

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

where:

- A is the number of Shares to be allocated in the new Sub-Fund;
- B is the number of Shares of the original Sub-Fund to be converted;
- C is the Net Asset Value per Share of the original Sub-Fund on the relevant Valuation Day;
- D is the actual rate of exchange on the Valuation Day concerned in respect of the Reference Currency of the original Sub-Fund and the Reference Currency of the new Sub-Fund;
- E is the Net Asset Value per share of the new Sub-Fund on the relevant Valuation Day;
- X is the Conversion Fee (in % p.a.) that may be applied (if any).

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

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

### **7.3.3 Conversion Fee and dilution levy**

A "Conversion Fee" is a charge not exceeding the fixed percentage amount set out under the heading "Conversion Fee" in Annex B, calculated by reference to the Net Asset Value per Share to be converted. A Conversion Fee may be imposed upon the conversion of Shares and is payable to the Distributor or as it directs. Information about the Conversion Fee is set out in Annex B under "Charges to Investors".

The Directors also have the power to apply a dilution levy on the conversion of Shares, as described hereafter under section "Dilution Levy". The dilution levy applicable on any Valuation Day shall be identical for all conversions of Shares dealt with as of such day.

## **7.4 Market Timing, Frequent Trading and Late Trading Policy**

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

For the purposes of this section, "market timing" is held to mean subscriptions into, conversions between, or redemptions from the various Classes (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. "Frequent trading" is held to mean subscriptions into, conversions between, or redemptions from the various Classes

(whether such acts are performed severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders. "Late Trading" is to be understood as the acceptance of a subscription (or conversion or redemption) order after the relevant Dealing Cut-Off Time (as specified in Annex A) on the relevant Dealing Day and the execution of such order at the price based on the Net Asset Value applicable to such same day. Late Trading is strictly forbidden.

Accordingly, the Directors may, whenever they deem it appropriate, cause Shares which are under common ownership or control, to be combined for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. A sub-distributor must not permit transactions which the sub-distributor knows to be, or has reasons to believe to be, related to market timing. The Directors reserve the right to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.

## **7.5 Dilution Levy**

Under certain circumstances (for example, large volumes of deals), investment and/or disinvestment costs may have an adverse effect on the Shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Directors have the power to charge a "dilution levy" on the issue, redemption and/or conversion of Shares of any Sub-Fund. If charged, the dilution levy will benefit the relevant Sub-Fund.

The dilution levy for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, commissions and transfer taxes.

The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. The Directors may charge a discretionary dilution levy on the issue, redemption or conversion of Shares if, in their opinion, the existing Shareholders (for issues or conversions) or remaining Shareholders (for redemptions or conversions) might otherwise be adversely affected.

In any case, the dilution levy shall not exceed 1.5% of the Net Asset Value per Share.

## **7.6 Transfers of Shares**

The transfer of registered Shares may be effected by delivery to the Central Administration Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant certificate to be cancelled.

## **7.7 Dividend Policy**

Within each Sub-Fund, there may be created different Classes of Shares which are entitled to regular dividend payments ("Distributing Shares") or with earnings reinvested ("Accumulating Shares"), as provided in Annex B.

Where Distributing Shares have been created within a Sub-Fund, the applicable dividend policy is specified in the description of the relevant Sub-Fund in Annex A.

If a dividend is declared in respect of Shares, it will be paid to each Shareholder holding Distributing Shares. In the case of Accumulating Shares, the dividend will become part of the capital property of the Sub-Fund and will be reflected in the price of each Accumulating Share.

Dividend payments are restricted by law in that they may not reduce the net assets of the Company below the required minimum determined by Luxembourg law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no dividends will be distributed if their amount is below the amount of fifty Euro (50 EUR) or its equivalent in another currency or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

## **7.8 Pooling**

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

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

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

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

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



## **8. NET ASSET VALUE**

### **8.1 Calculation of Net Asset Value**

The Net Asset Value per Share of each Class will be determined and made available in the Reference Currency of the relevant Class by the Central Administration Agent as of each Valuation Day in respect of the relevant Sub-Fund, subject to any suspension in accordance with the section "Temporary suspension of Net Asset Value calculations and of issue, redemption and conversion of Shares" below.

The Net Asset Value per Share as of any Valuation Day will be calculated to four decimal places in the Reference Currency of the relevant Class as set out in Annex B by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Sub-Fund will be determined by deducting from the total value of the assets attributable to the relevant Sub-Fund, all accrued debts and liabilities attributable to that Sub-Fund, without prejudice to the fact that as a result of certain currency hedging techniques and instruments which may be used in relation to certain Classes within a Sub-Fund, as further set out in Annex B, the Net Asset Value of such Classes will take into account the impact of the use of such techniques and instruments.

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

Assets and liabilities of the Sub-Funds will be valued as of each Valuation Day in accordance with the following principles:

- a) Securities or money market instruments quoted or traded on an official stock exchange or any other Regulated Market are valued on the basis of: (i) the closing price of the relevant stock exchange or Regulated Market on the Valuation Day; (ii) if the securities or money market instruments are listed on several stock exchanges or Regulated Markets, the closing price of the stock exchange or Regulated Market on the Valuation Day which is the principal market for the security or money market instrument in question; or (iii) if the closing price of securities or money market instruments quoted or traded on an official stock exchange or any other Regulated Market in Asia or Oceania on the Valuation Day is not representative, their last known price at the time the Net Asset Value is determined in relation to such Valuation Day.
- b) For securities or money market instruments not quoted or traded on an official stock exchange or any other Regulated Market, and for quoted securities or money market instruments, but for which the last known price is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Directors.
- c) Units/shares issued by open-ended investment funds shall be valued at their last available net asset value.
- d) The liquidating value of futures, forward or options contracts or other financial derivatives traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts or other financial derivatives are traded; provided that if a futures, forward or options contract or other financial derivative could not be liquidated on such Valuation Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract or other financial derivative shall be such value as the Directors may, in good faith and

pursuant to verifiable valuation procedures, deem fair and reasonable. The liquidating value of futures, forward or options contracts or other financial derivatives that are not traded on exchanges or on other Regulated Markets shall be determined pursuant to the policies established in good faith by the Directors, on a basis consistently applied.

- e) Liquid assets and money market instruments with a maturity of less than 12 months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely, in the opinion of the Directors, to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the relevant Sub-Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Directors. If the Directors believe that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Directors shall take such corrective action, if any, as they deem appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- f) Swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Sub-Funds using OTC derivatives as part of their main investment policy and insofar the valuation of such OTC derivatives shall diverge from the foregoing, the valuation method of the OTC derivative will be further specified in the description of the relevant Sub-Fund in Annex A.
- g) Accrued interest on securities shall be included if it is not reflected in the share price of the relevant securities.
- h) Cash shall be valued at nominal value, plus accrued interest.
- i) All assets denominated in a currency other than the Reference Currency of the respective Sub-Fund as set out in Annex B shall be converted at the mid-market conversion rate between such Reference Currency and the currency of denomination.
- j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, in each case, in the opinion of the Directors, will be valued in such a manner, as is determined in good faith pursuant to procedures established by the Directors.

If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions above, allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the relevant point of valuation.

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

## **8.2 Temporary suspension of Net Asset Value calculations and of issue, redemption and conversion of Shares**

The Directors may suspend the determination of the Net Asset Value of Shares of any particular Sub-Fund and hence the issue, redemption and conversion of Shares if, at any time, the

Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise during:

- a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- b) the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the shareholders of the Company; or
- c) any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange; or
- d) any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or
- e) any case of a decision to liquidate the Company, a Sub-Fund or a class of Shares hereof on or after the notice is given (notice of the general meeting of Shareholders convened for this purpose if applicable); or
- f) any period when in the opinion of the Board of Directors of the Company there exist circumstances outside of the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Class of Shares of the Company; or
- g) any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant Class of Shares is suspended.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Central Administration Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Net Asset Value per Share then prevailing.

Without prejudice to the provisions of article 28(5) of the Law of 2010, notice of any such suspension will be notified in accordance with applicable laws and regulations if, in the opinion of the Directors, it is likely to exceed 5 Dealing Days. The Directors may also, at their discretion, decide to make a publication in newspapers of the countries in which the Company's Shares are offered for sale to the public.

### **8.3 Allocation of assets and liabilities**

The assets and liabilities of the Company shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net

assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

## **9. FEES AND EXPENSES**

### **9.1 Management Fees**

In payment for carrying out its duties and responsibilities, the Management Company is entitled to receive an annual fee out of the net assets of each Sub-Fund, subject to a minimum annual fee of EUR 12,000 per Sub-Fund.

In payment for providing investment management services, an Investment Manager is entitled to receive an annual fee out of the net assets of the Sub-Fund for which it acts as investment manager.

The fees paid to the Management Company and an Investment Manager in respect of a Sub-Fund shall, when combined, not exceed the level set out in the description of the relevant Sub-Fund in Annex A.

The Investment Manager may decide to waive all or a portion of its investment management fees and/or pay/reimburse expenses (excluding any taxes, interest (including bank interest), short sale dividend and interest expenses, brokerage fees, and nonroutine expenses or costs, including, but not limited to, those relating to reorganisations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual fund operating expenses from exceeding an expense cap determined from time to time for each share class. The waiver may be discontinued at any time at the Investment Manager's discretion. A complete list of all applicable expense caps is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav).

The Management Company and each Investment Manager may be reimbursed for reasonable out-of-pocket expenses relating to the services it provides.

An Investment Manager may pay part of its fee to Sub-Investment Managers, authorised intermediaries or other service providers acting on behalf of the Company, the Distributor or the Investment Manager, as the Investment Manager may determine in its absolute discretion.

### **9.2 Service Fee**

In consideration for its ongoing distribution and marketing services in relation to investors and intermediaries, the Distributor is entitled to receive an annual fee out of the net assets of each Sub-Fund (the "Service Fee").

The Service Fee paid to the Distributor in respect of a Sub-Fund shall not exceed the level set out in the description of the relevant Sub-Fund in Annex B.

The Distributor may be reimbursed for reasonable out-of-pocket expenses relating to the services it provides.

### **9.3 Depositary and Central Administration Agent Fee**

The Company will pay to the Depositary and the Central Administration Agent annual fees which will vary from 0.008% of the net asset value to a maximum of 2% of the net asset value per sub-fund subject to a minimum fee per sub-fund of EUR 27,600. These fees are payable on a monthly basis and do not include any transaction related fees, due diligence *ad hoc* fees and costs of sub-custodians or similar agents. The Depositary and the Central Administration Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

The amount paid by the Company to the Depositary and the Central Administration Agent will be mentioned in the annual report of the Company.

#### **9.4 Other costs and expenses**

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

- The costs of establishing the Company and the Sub-Funds. The costs and expenses of establishing the Company and creating Sub-Funds may be capitalised and amortised over a period not exceeding 5 years. In practice, these costs and expenses initially were borne by the Macquarie Group and recharged to the sub-funds at rates of 15%, 15%, 20%, 20% and 30% over respectively the first, second, third, fourth and fifth year from the date on which the Company commenced business; each such tranche being allocated among the Sub-Funds in existence pro rata to their net assets. Where additional Sub-Funds are created after the date of the Company's establishment, these Sub-Funds will bear, in principle and in addition, their own formation expenses which may, at the discretion of the Directors, be amortised on a straight line basis or on another recognised basis over a period not exceeding 5 years from the date on which the Sub-Funds commenced business. The Directors may, in their absolute discretion, adapt these escalation, allocation and timing principles, to the extent permitted by Luxembourg law for the amortisation of the costs of establishing the Company and, as the case may be, further Sub-Funds;
- The subscription tax (*taxe d'abonnement*) as described in chapter "Taxation" hereafter;
- The fees and remuneration of Directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Company, advisory fees and other operational costs and expenses linked to the implementation by the Company of new regulatory obligations applying to it or to its service providers, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agency and stock exchange, the costs of publishing prices and the operational expenses, the fees and remuneration of the anti-money laundering reporting officer, the reimbursement of any costs to the Management Company, the Depositary and other third parties and the cost of holding directors or shareholders' meetings. The remuneration payable to each Director shall not exceed €40,000 EUR p.a. and shall correspond for each Director to the amount and method of payment, as determined by the annual general meeting of Shareholders. The reimbursement of any costs to the Management Company, the Depositary and other third parties shall be limited to any out-of-pocket expenses arising in the performance of the agreements entered into by the Company with the relevant service provider;
- The out of pocket expenses of the Company, including:
  - stamp duties, taxes, commission and other dealing costs;
  - foreign exchange costs;
  - bankers' charges;
  - registration fees in relation to investments;
  - insurance costs;
  - ratings agency fees; and
  - fees of service providers and fees incurred in places where the Company or a Sub-Fund is registered.

## **10. RISK CONSIDERATIONS**

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-Funds as described in Annex A, in those Sub-Funds). Potential investors should also consider the information set out in relation to conflicts of interest and related party transactions in section 5.6 of this Prospectus.

### **10.1 Market Risk**

The investments of a Sub-Fund are subject to normal market fluctuations and the risks inherent in all investments. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Sub-Fund. There is no certainty that the investment objective of any Sub-Fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-Fund may be subject to fluctuations and is not guaranteed.

#### **10.1.1 Manager Risk**

There is a risk that an Investment Manager will not achieve its performance objectives or not produce returns that compare favourably against its peers. The performance of a Sub-Fund will depend significantly upon the ability of the relevant Investment Manager to select profitable investments and to appoint and retain employees with relevant expertise.

#### **10.1.2 Effect of Initial Charge, Conversion Fee or Redemption Fee**

Where an Initial Charge, Conversion Fee or Redemption Fee is imposed, a Shareholder who realises his/her Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a Redemption Fee or Conversion Fee is payable, investors should note that the percentage rate at which the Redemption Fee or Conversion Fee is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased, the Redemption Fee or Conversion Fee will show a corresponding increase.

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

#### **10.1.3 Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of conversion) may be suspended.

#### **10.1.4 Counterparty and Settlement Risk**

Sub-Funds will be exposed to counterparty risk on parties with whom they trade and when placing cash on deposit. A Sub-Fund will also be exposed to the risk of settlement default by a counterparty with which the Sub-Fund trades when buying and selling financial instruments (settlement risk). Without prejudice to the provisions of article 33 of the Law of 2010, an Investment Manager may instruct the Depositary to settle transactions otherwise than on a delivery versus payment basis where the Investment Manager believes that this form of settlement is appropriate.

### **10.1.5 Currency Risk**

Currency fluctuations may adversely affect the value of a Sub-Fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his/her investment in Shares. A significant portion of a Sub-Fund's assets may be denominated in a currency other than the Reference Currency of a Sub-Fund or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the Reference Currency in which Shares of the relevant Sub-Fund are valued and priced.

Sub-Funds are not required to hedge their foreign currency risk, although they may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that a Sub-Fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of that Sub-Fund's assets and income could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Sub-Fund in circumstances where no such hedging transactions are undertaken.

### **10.1.6 Operational Risk and Depositary Risk**

The Company's operations (including investment management and distribution) are carried out by the service providers described in the section headed "Management and Administration of the Company". In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

The Company's assets are held in custody by the Depositary and its duly appointed sub-custodians, which exposes the Company to custodian risk. This means that the Company is exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary or its sub-custodians.

### **10.1.7 Equities**

Sub-Funds investing in equities tend to be more volatile than funds investing in bonds, but also offer greater potential for growth. The value of securities of a Sub-Fund investing in equities may fluctuate dramatically in response to activities and results of individual companies, as well as in connection with general market and economic conditions.

### **10.1.8 Unlisted risks**

Subject to the provisions of the Law of 2010, a Sub-Fund may invest up to 10% of its net assets in transferable securities and money market instruments other than approved securities (essentially transferable securities which are traded on an Eligible Market) as set out in the section "Investment Restrictions". Such transferable securities and money market instruments are generally not publicly traded, may be unregistered for securities law purposes, and may be able to be resold only in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in a Sub-Fund's inability to realise a favourable price upon disposition of such transferable securities and money market instruments, and at times might make disposition of such transferable securities and



money market instruments impossible. Such difficulties and delays may be exacerbated during periods of extreme market volatility.

To the extent a Sub-Fund invests in transferable securities and money market instruments the terms of which are privately negotiated, the terms of such transferable securities and money market instruments may contain restrictions regarding resale and transfer. In the absence of an active secondary market, a Sub-Fund's ability to purchase or sell such transferable securities or money market instruments at a fair price may be impaired or delayed.

#### **10.1.9 Liquidity Risk**

An Investment Manager's ability to invest and to liquidate the assets of a Sub-Fund may, from time to time, be restricted by the liquidity of the market for those assets. Regulated Markets may undergo temporary or prolonged closures and may impose a suspension or limitation on trading in a security traded on the relevant exchange.

In addition, certain listed transferable securities and money market instruments, particularly securities and money market instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than transferable securities or money market instruments of larger, more established companies or stock market averages in general. These difficulties may be exacerbated during periods of extreme market volatility.

#### **10.1.10 Restriction on the Company's Activities Due to Embargo etc.**

From time to time, a Sub-Fund's activities may be restricted due to regulatory restrictions applicable to the Management Company, an Investment Manager or their respective delegates or another entity within the relevant respective groups of companies, and/or their internal policies designed to comply with such restrictions. As a result, there may be periods, for example, during which the Management Company, an Investment Manager, any such person or a Sub-Fund may be restricted from engaging in certain transactions.

#### **10.1.11 Inflation Risk**

There is a risk that the prices of goods and services will rise faster than the value of the investments.

#### **10.1.12 Political Risk**

The value of a Sub-Fund's assets may be affected by uncertainties or events, such as political developments, nationalisation of certain industries, changes in government policies, changes in regulations (including changes to prudential rules relating to the applicable capital adequacy framework and rules designed to promote financial stability and increase depositor protection), taxation and currency repatriation and restrictions on foreign investment in countries in which the Sub-Fund may invest.

#### **10.1.13 Country Risk**

Country risk refers to potential adverse political, economic or social developments affecting the return on an investment in a country which may reduce the value of a Sub-Fund's assets. Examples of events that may affect the value of investments in a country are political instability, recession and war.

A Sub-Fund may also invest in emerging markets. Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

#### **10.1.14 Fixed Interest Securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. An increase in interest rates leads to a reduction in the value of a fixed income investment and vice versa. The risk is usually greater for fixed income securities that have longer maturities. Inflation will also decrease the real value of capital. Fluctuations in the value of fixed interest securities may be exacerbated during periods of extreme market volatility such that steep falls in value may occur.

Default risk is the risk of loss due to default, either through the failure of an issuer to pay the income and/or repay the principal of a security, or through counterparty default. Default risk is generally greater for counterparties or issuers with lower credit ratings. In the case of a default, an affected Sub-Fund may become subject to adverse market movements while replacement transactions are executed.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. The fact that an issuer has a credit rating is not a guarantee of an issuer's ability to pay. An issuer's credit rating is subject to change.

Fixed interest securities are also affected by sector risk, which refers to price changes affecting sectors within the debt securities market, which subsequently affect all securities within that sector. These factors may include changing perceptions of the credit risk premium of a particular sector, supply and demand pressures, and global views on the value within a sector.

Spread risk arises with declines in perceptions of the credit worthiness of particular borrowers or within the corporate sector as a whole, leading to a fall in the value of corporate securities.

There may be a difference between the mark-to-market value of a Sub-Fund's investment in a fixed interest security, and the proceeds obtained or loss made on the disposal of the investment. Any value ultimately realised by a Sub-Fund on sale of an investment will depend on the price achievable in the market following the decision to sell which may be higher or lower than the investment's most recent mark-to-market value. Any shortfall between the proceeds obtained on disposal (if any) and the valuation of the investment prior to the disposal would have an adverse effect on the Net Asset Value of a Sub-Fund.

#### **10.1.15 Event/Opportunity Risk**

There is the risk that there are inadequate trading opportunities which the Investment Manager wishes or is able to participate in. As a result, the assets of a Sub-Fund may not be fully

invested in trading positions and may be heavily weighted in cash or equivalent assets. While the risk profile of cash or cash-equivalent investments is lower than that of non-cash investments, the potential returns on cash or equivalent assets may also be lower than that which could be available if there were sufficient trading opportunities.

#### **10.1.16 Taxation Risk**

Changes in tax laws or their interpretation could adversely affect the tax treatment of a Sub-Fund, its assets and its Shareholders.

If a Sub-Fund uses participation instruments to access certain markets, such instruments may have tax withheld on the investment returns, including notional dividends, passed through to the Sub-Fund by the counterparty to such instruments.

#### **10.1.17 Legal and Compliance Risk**

Domestic and/or international laws or regulations may change in a way that adversely affects the Company or a Sub-Fund. Differences in laws between countries or jurisdictions may make it difficult to enforce legal agreements entered into by or on behalf of a Sub-Fund. The Directors reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of a Sub-Fund or restructuring a Sub-Fund.

#### **10.1.18 Depositary Receipts Risk**

Investment into a given country may be made via direct investments into that market or by depositary receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depositary receipt admitted to the official listing on a stock exchange may be deemed an eligible transferable security regardless of the eligibility of the market in which the security to which it relates normally trades

#### **10.1.19 Structured Product Risk**

A Sub-Fund may invest in structured products such as participation notes, equity swaps, equity linked notes and fund linked notes and other instruments which are linked to the performance of transferable securities or other instruments which are permitted investments for a Sub-Fund under the Law of 2010. These are sometimes referred to as "structured products" because the terms of the instrument may be structured by the issuer of the product and the purchaser of the product. These products may be issued by banks, brokerage firms, insurance companies and other corporations including Macquarie Group members. Structured products may not be listed and are subject to the terms and conditions imposed by their issuer. Investment in structured products can be illiquid as there is no active market in structured products. In order to meet redemption requests, a Sub-Fund will rely upon the counterparty issuing the structured product to quote a price to unwind any part of the structured product. This price will reflect, among other things, the market liquidity conditions and the size of the transaction. In addition, investment through structured products may lead to a dilution of performance of a Sub-Fund when compared to direct investments in similar assets. Structured products may be highly volatile and this entails greater risks when compared to direct investments.

#### **10.1.20 Hedging Risk**

There are hedging risks associated with Classes of Shares which are specified in Annex B as being currency-hedged. Hedging aims to reduce undesired volatility of returns due to underlying

market variables, in this case currency exchange rates. Hedging does not remove the risk of a decline in value of a Class of Shares due to unfavourable movements in the underlying market variables, and may also limit the opportunity for gain if the value of the exposures being hedged should increase.

A Sub-Fund may enter into interest rate, total return, credit default and other swaps and derivative instruments (collectively, "Hedge Agreements"). Investments in swaps and other derivative instruments involve the exchange by a Sub-Fund with another party of all or a portion of their respective interests or commitments. The value of Hedge Agreements generally depends upon the changes in volatility, price movements in the reference instruments or obligations and counterparty risk. There is no guarantee that hedging will prevent or reduce losses, reduce the overall volatility of returns, or that a hedged investment will perform better than the unhedged equivalent. Hedging may prevent opportunities for profit.

#### **10.1.21 Repurchase Agreements and Sale with Right of Repurchase Transactions**

In the event of the failure of the counterparty with which cash of a Sub-Fund has been placed under a repurchase agreement or sale with right to repurchase transactions, there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded. Locking cash in repurchase agreements (or sale with right to repurchase transactions) of excessive size or duration, delays in recovering cash placed out in repurchase agreements (or sale with right to repurchase transactions), or difficulty in realising collateral may restrict the ability of a Sub-Fund to meet redemption requests (or security purchases).

#### **10.1.22 Securities Lending**

Should the borrower of securities lent by a Sub-Fund fail to return those securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded. The reinvestment of cash collateral (if such reinvestment is allowed, according to the provisions of Annex A) may create leverage with corresponding risks and risk of losses and volatility, introduce market exposures inconsistent with the objectives of a Sub-Fund, or yield a sum less than the amount of collateral to be returned. Delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.

#### **10.1.23 Bank Loans Risk**

A Sub-Fund may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("Lender"). Such investment is expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised ("Participations") and the loans in which a Sub-Fund will invest will not embed derivatives or leverage. The Participations shall be liquid and will provide for interest rate adjustments at least every 397 days. They are subject to the risk of default by the underlying borrower and in certain circumstances to the credit risk of the Lender if the Participation only provides for a Sub-Fund having a contractual relationship with the Lender, not the borrower. In connection with purchasing Participations, a Sub-Fund may have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan or

any rights of set-off against the borrower. Thus, a Sub-Fund may not directly benefit from any collateral supporting the loan in which they have purchased Participations. A Sub-Fund will purchase such Participations only through recognised, regulated dealers.

Traded senior bank loans are a specialised asset class, and may incur higher valuation and liquidity risks than standard fixed income debt instruments, as well as being exposed to market sentiment regarding the bank loan sector in general. Additionally, the underlying borrowers may be of lower credit quality, exposing the purchaser of the loan (a Sub-Fund, in this case) to higher default risk. Senior bank loans may also be exposed to increased operational risk due to their specialised administration and settlement processes.

#### **10.1.24 Risks relating to the Infrastructure Sector**

Infrastructure sector risk is the potential for adverse events in the global infrastructure sector to impact the performance of the investments of a Sub-Fund.

Investments in securities issued by companies which are principally engaged in the infrastructure business will subject a Sub-Fund to risks associated with direct investment in infrastructure assets. Factors such as the availability of finance, the cost of such finance in general as well as in comparison to prior periods, the level of supply of suitable infrastructure projects and government regulations relating to infrastructure may influence the value of these investments and hence a Sub-Fund.

The risks of investing in the infrastructure sector include those listed below.

##### **(a) New project risk**

Where an infrastructure issuer invests in new infrastructure projects, it is likely to retain some residual risk that the project will not be completed within budget, within the agreed time frame and to the agreed specification. During the construction phase the major risks include a delay in the projected completion of the project, and a resultant delay in the commencement of cash flow or increase in the capital needed to complete construction.

##### **(b) Strategic Asset Risk**

Infrastructure assets may include strategic assets, that is, assets that have a national or regional profile, and may have monopolistic characteristics. The nature of these assets may generate additional risk given the national/regional profile and/or their irreplaceable nature, and may constitute a higher risk target for terrorist acts or political actions. Given the essential nature of the products or services provided by infrastructure issuers, there is also a higher probability that the services provided by such issuers will be in constant demand. Should an infrastructure issuer fail to make such services available, users of such services may incur significant damage and may, due to the characteristics of the strategic assets, be unable to replace the supply or mitigate any such damage, thereby heightening any potential loss.

##### **(c) Documentation risk**

Infrastructure assets are often governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over interpretation or enforceability of the documentation may be higher than for other issuers.

##### **(d) Operation Risk**

Should an infrastructure issuer fail to maintain and operate the assets efficiently, the ability to maintain payments of dividends or interest to shareholders may be impaired. Failure by the

infrastructure issuer to carry adequate insurance or to operate the asset appropriately could lead to significant losses and damages.

#### **10.1.25 Concentration Risk**

The investment policy of a Sub-Fund will result in a portfolio containing a concentrated group of investments focused on gaining exposure to companies in certain sectors, as opposed to investing across the entire market. Sub-Funds which invest in a concentrated portfolio may be subject to greater volatility than Sub-Funds with a more diversified portfolio.

#### **10.1.26 Hybrid Securities Risk**

A Sub-Fund may invest in preferred stock and hybrid securities, which may have special risks. Preferred and hybrid securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If a Sub-Fund owns a preferred or hybrid security that is deferring its distributions, the Sub-Fund may be required to report income for tax purposes even though it has not yet received such income. Some preferred and hybrid securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid. A portion of a Sub-Fund's assets may include investments in non-cumulative preferred or hybrid securities, under which the issuer does not have an obligation to make up any arrears to its investors. Preferred and hybrid securities may be substantially less liquid than many other securities, such as common stocks or US government securities. Generally, preferred and hybrid security holders (such as a Sub-Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the security holders generally may elect a number of directors to the issuer's board. Generally, once all the arrears have been paid, the security holders no longer have voting rights. In certain varying circumstances, an issuer of preferred or hybrid securities may redeem the securities prior to a specified date. For instance, for certain types of preferred or hybrid securities, a redemption may be triggered by a change in federal income tax or securities laws. A redemption by the issuer may negatively impact the return of the security held by a Sub-Fund.

#### **10.1.27 Volatility Risk**

Volatility risk is the potential for the value of a Sub-Fund's investments or the Net Asset Value per Share to vary, sometimes markedly and over a short period of time. This volatility can also affect amounts available for distribution to Shareholders. As an indicator of risk, the greater the volatility of returns the more likely it is that returns will differ from those expected over a given time period. Investments in equity securities offering emerging markets exposure are traditionally towards the higher end of the volatility spectrum.

#### **10.1.28 Valuation risk**

Valuation risk refers to the risk that a Sub-Fund's assets may be difficult to value. This may result from factors such as any form of sovereign intervention, the lack of an independently verifiable price or securities being traded infrequently. In the event that the quoted closing price or other available price for any of a Sub-Fund's assets would not be representative of their fair value, the Directors may apply another valuation method as set out in section 8 of this Prospectus.

### **10.1.29 Small- and Mid-Cap Companies Risk**

A Sub-Fund will provide exposure to companies considered small or mid cap in terms of market capitalisation. Shares in such companies may be less liquid and more volatile than those of larger companies. Companies within these sectors of the market may include recently established entities which have relatively limited trading histories, in relation to which there is limited public information or entities engaged in new-to-market concepts which may be speculative in nature. For these reasons these sectors may experience significant volatility and reduced liquidity which may result in the loss of investor capital.

### **10.1.30 Risks relating to Emerging or Frontier Markets**

A Sub-Fund may invest in eligible assets which are listed on the securities exchanges of emerging or frontier market countries, as well as investing in companies which are located or have operations within such countries. Emerging or frontier markets are typically more volatile than developed markets and can result in increased risk for investors.

Emerging or frontier markets are generally considered riskier than developed markets due to factors such as lower liquidity, the potential for political unrest, the increased likelihood of sovereign intervention (including default and currency intervention), currency volatility and increased legal risk. Emerging market investments therefore may experience increased asset price volatility and face higher currency, default and liquidity risk.

The risks of investing in emerging or frontier markets include those risks listed below.

#### **(a) Political and legal risks**

A Sub-Fund has greater exposure to political risks, country risks and legal and compliance risks, each as described in further detail in sections 10.1.12, 10.1.13 and 10.1.17 of the Prospectus. In emerging markets, investor protection legislation or protection available through other legal avenues (for example concepts of fiduciary duties) may be limited, non-existent, or difficult to enforce in practice. Obligations on companies to publish financial information, or to publish such information in accordance with recognised accounting standards, may also be limited. Governments may make or invoke policy or regulation that changes the established rights of private sector companies. There is a further risk that a government may prevent or limit the repatriation of foreign capital or the availability of legal redress through the courts. There is also the risk of government intervention in the operation of financial markets, for instance a forced closure of markets.

#### **(b) Market, valuation and settlement risks**

Eligible Markets which are securities exchanges in emerging markets are likely to be less liquid and less efficient than Regulated Markets. Eligible assets traded on such exchanges can be more difficult to sell and value. Shareholder registers may not be properly maintained and ownership of or interests in such eligible assets may not be (or remain) fully protected. Registration of ownership of securities may be subject to delays and during the period of delay it may be difficult to prove beneficial ownership of the securities. In some markets, the concept of beneficial ownership is not recognised or is not well developed.

Custody arrangements for such securities may not be well developed. Settlements may still take place in physical rather than dematerialised form. In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It

may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

(c) Taxation risks

In addition to the general taxation risks described in section 10.1.16 of the Prospectus, potential investors should note that tax law and practice in emerging market countries is less established than in countries with Regulated Markets. It is therefore possible that current laws, interpretation, guidance, or practices relating to taxation may change, potentially with retrospective effect. This may mean that a Sub-Fund may have to pay additional taxes or have sales proceeds withheld for tax reasons in circumstances which cannot be anticipated at the time when investments are made, valued or disposed of.

**10.1.31 Performance Risk**

Performance risk broadly refers to the potential for changes in share prices to result in a loss in the value of your investment in a Sub-Fund. A Sub-Fund primarily invests in companies that are listed on a share market and as a result is exposed to movements in their share prices. Factors that drive changes in share prices may include changing profitability of companies and the sectors and markets in which they operate, economic cycles, volume of share issuance, investor demand levels, business confidence and government and central bank policies.

**10.1.32 Income Securities Risk**

A Sub-Fund may have exposure to a range of income securities, including high yield, emerging markets and structured securities. The value of these securities may fall, for example due to market volatility, interest rate movements, perceptions of credit quality, supply and demand pressures, market sentiment, or issuer default. These risks may be greater for securities offering higher returns, for example high yield or emerging market securities. Income security risk may cause unit price volatility and/or financial loss to a Sub-Fund.

**10.1.33 High yield (junk bond) risk**

A Sub-Fund may have exposure to high yield (junk bond) securities. High yield securities, commonly known as "junk bonds", are subject to reduced creditworthiness of issuers; increased risk of default and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

**10.1.34 Default Risk**

Issuers or entities upon which a Sub-Fund's investments depend may default on their obligations, for instance by failing to make a payment due on a security or by failing to return principal. Such parties can include the issuers of securities held by a Sub-Fund (or those referenced in credit derivative transactions), and may include sovereigns, supranational entities, governments and states, as well as corporations. Counterparties to a Sub-Fund may default on a contractual commitment to the Sub-Fund. Counterparties may include over-the-counter derivatives counterparties, brokers (including clearing brokers of exchange traded instruments), repurchase agreement counterparties, foreign exchange counterparties, as well as a Sub-Fund's depositary. Default on the part of an issuer or counterparty could result in a financial loss to a Sub-Fund.



#### **10.1.35 Credit Risk**

The value of a Sub-Fund's investments may be sensitive to changes in market perceptions of credit quality, both of individual issuers and of the credit markets in general. A Sub-Fund invests in credit related securities and takes credit risk in order to achieve its investment objectives. However, the value of such securities, and therefore a Sub-Fund's unit price, may be impacted by changes in the market's perception of credit quality.

#### **10.1.36 Structured Security Risk**

A Sub-Fund may invest in structured securities, such as Residential Mortgage Backed Securities ("RMBS"), and Asset Backed Securities ("ABS"). Structured securities are exposed to specific risks including increased sensitivity to interest rate movements, credit spreads, and higher liquidity risk. Their value is also dependent on the quality of the underlying assets, and may be affected by factors such as the creditworthiness of the underlying debtors, underlying asset values, levels of default in the underlying loans and prepayment rates. Structured securities may experience losses more frequently than an equivalently rated standard fixed income security and losses may also be greater.

#### **10.1.37 Investment Fund Risk**

Investments in other investment funds may involve higher costs and risks than direct investments in the underlying securities. A holding of an unregistered fund or ETF can result in greater volatility than its underlying assets due to the fact that certain ETFs are less liquid than their underlying assets. Additionally an ETF may trade at a premium or discount to its net asset value since ETF shares can be bought/sold on exchanges on market values. The determination of the net asset value of the units/shares of any investment fund held by a Sub-Fund may be suspended under certain conditions. In such cases this could impede the ability of a Sub-Fund to meet a redemption request.

#### **10.1.38 Commodities Risk**

A Sub-Fund may have exposure to commodities, through ETCs or other commodities related securities which involve additional risks. More specifically, political, military and natural events may influence the production and trading of commodities and, consequently, have an influence on the commodities related securities and ETCs in which a Sub-Fund invests. Moreover, terrorism and other criminal activities may have an influence on the availability of commodities and therefore could negatively impact financial instruments in which a Sub-Fund invests which grant exposure to commodities.

#### **10.1.39 Convertible Bonds and Hybrid Security Risk**

Investments may be made in convertible bonds, which are a hybrid asset class between debt and equity, enabling their holders to convert or exchange them into shares or stocks in the company which has issued the initial bonds subscribed within a specific period of time at a specific price or according to a specific formula. Prior to their conversion or exchange, convertible bonds have the same general characteristics as non-convertible fixed income securities and the market value of convertible bonds tends to decline as interest rates increase and increase as interest rates decline. However, while convertible bonds generally offer lower interest or dividend yields than non-convertible fixed income securities of similar quality, they enable a Sub-Fund to benefit from increases in the market price of the underlying stock, and hence the price of a convertible bond will normally vary with changes in the price of the

underlying stock. Therefore, investors should be prepared for greater volatility for these investments than for straight bond investments, with an increased risk of capital loss, which may adversely affect the Net Asset Value of a Sub-Fund.

#### **10.1.40 Real Estate Industry Risk**

A Sub-Fund may invest in securities issued by companies with an exposure to the real estate industry. This risk includes, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes, and operating expenses; changes in zoning laws; costs resulting from the clean up of, and liability to third parties resulting from, environmental problems; casualty for condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates.

#### **10.1.41 Investments in REITs**

A Sub-Fund may invest in REITs which themselves invest directly in real estate – under adverse market or economic conditions such assets may become illiquid or experience a drop in value. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

#### **10.1.42 Restricted Securities Risk**

A Sub-Fund may invest in securities that contain restrictions of their negotiability and/or issue. Such investments may be less liquid, making it difficult to acquire or to dispose of such investments which may lead to the relevant Sub-Fund experiencing adverse price movements upon any such disposal. Such restricted securities may be but are not limited to securities known as "Rule 144A securities".

Rule 144A securities are privately offered securities that can be resold only to certain qualified institutional buyers. As such securities are traded among a limited number of investors, certain Rule 144A securities may be illiquid and involve the risk that the relevant Sub-Fund may not be able to dispose of these securities quickly or in adverse market conditions.

#### **10.1.43 Investments in Master Limited Partnership ("MLP") Units**

An investment in MLP units involves some risks which differ from an investment in the common stock of a corporation. Holders of MLP units generally have limited control and voting rights on matters affecting the partnership. The value of a Sub-Fund's investment in MLPs depends largely on the MLPs being treated as partnerships for US federal income tax purposes. If an MLP does not meet current legal requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be taxed as a corporation and there could be a material decrease in the value of its securities.

#### **10.1.44 General Risk in relation to Investments in Mortgage Backed Securities ("MBS")**

Investments in MBS are subject to various forms of credit, liquidity and interest rate risks. The value of the MBS generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the underlying assets of the MBS, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

#### **10.1.45 Collateralised Mortgage Obligations ("CMOs")**

CMOs are generally subject to the same risks as MBS. In addition, CMOs may be subject to credit risk because the issuer or credit enhancer has defaulted on its obligations and a Sub-Fund may not receive all or part of its principal. Obligations issued by US government-related entities are guaranteed as to the payment of principal and interest, but are not backed by the full faith and credit of the US government. The performance of private label mortgage-backed securities, issued by private institutions, is based on the financial health of those institutions. Although GNMA guarantees timely payment of GNMA certificates even if homeowners delay or default, tracking the "pass-through" payments may, at times, be difficult.

#### **10.1.46 Interest Rate Risk**

MBS are subject to interest rate risk. The underlying assets of an issuer of MBS may bear interest at a fixed (floating) rate while the MBS issued by such issuer may bear interest at a floating (fixed) rate. As a result, there could be a floating / fixed-rate or basis mismatch between such MBS and underlying assets which bear interest at a fixed-rate ("Fixed-Rate Assets"), and there may be a timing mismatch between the MBS and assets that are not Fixed-Rate Assets ("Floating-Rate Assets"). In addition, the interest rate on Floating-Rate Assets may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the MBS. As a result of such mismatches, an increase or decrease in the level of the floating-rate indices could adversely impact the ability to make payments on the MBS. Due to recent events in the fixed-income markets, including the potential impact of the Federal Reserve Board tapering its quantitative easing program, a Sub-Fund may be subject to heightened interest rate risk as a result of a rise in interest rates.

#### **10.1.47 Systemic Risk**

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect the brokers that the Investment Manager will interact on a daily basis.

#### **10.1.48 Investments in MBS, CMOs, SMRS and ARMS**

(a) MBS, CMOs, SMRS and, ARMS key features

##### **1) MBS**

These securities represent interests in pools of mortgages in which payments of both principal and interest on the securities are generally made monthly. MBS that are regarded as mortgage pass-through securities differ from other forms of debt securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Early payment of principal on mortgage pass through securities (arising from prepayments of principal due to the sale of underlying property, refinancing, or foreclosure, net of fees and costs which may be incurred) may expose a Sub-Fund to a lower rate of return upon reinvestment of principal. Also, if a security subject to repayment has been purchased at a premium, in the event of prepayment, the value of the premium would be lost.

There are currently three main types of MBS, (i) those issued by the US government or one of its agencies or instrumentalities, such as Fannie Mae, Freddie Mac and Ginnie Mae; (ii) those issued by private issuers that represent an interest in or are collateralised by pass-through

securities issued or guaranteed by the US government or one of its agencies or instrumentalities; and (iii) those issued by private issuers that represent an interest in or are collateralised by whole mortgage loans or pass through securities without a government guarantee but usually having some form of private credit enhancement.

## 2) CMOs

A CMO is a type of mortgage-backed security that creates separate classes with varying maturities and interest rates, called tranches. Similar to a bond, interest and prepaid principal is paid, in most cases, monthly. CMOs may be collateralised by whole mortgage loans, but are more typically collateralised by portfolios of mortgage pass-through securities guaranteed by GNMA, FHLMC, or FNMA, and their income streams.

CMOs are structured into multiple classes, each bearing a different fixed or floating interest rate and stated maturity. Actual maturity and average life will depend upon the prepayment experience of the collateral. CMOs provide for a modified form of call protection through a de facto breakdown of the underlying pool of mortgages according to how quickly the loans are repaid. Monthly payment of principal received from the pool of underlying mortgages, including prepayments, is first returned to investors holding the shortest maturity class. Investors holding the longer maturity classes receive principal only after the first class has been retired. An investor is partially guarded against a sooner than desired return of principal because of the sequential payments.

## 3) SMRS

One type of CMO can be a Stripped Mortgage-Related Security ("SMRS"). SMRS are derivative multi-class mortgage securities. SMRS may be issued by agencies or instrumentalities of the US government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks, and special purpose entities of the foregoing. SMRS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. A common type of SMRS will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest payments, (the interest-only or "IO" class), while the other class will receive all of the principal payments (the principal only or "PO" class). The yield to maturity on an IO class is sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets and a rapid rate of principal payments may have a material adverse effect on a Sub-Fund's yield to maturity from these securities. If the underlying mortgage assets experience greater than anticipated prepayments of principal, a Sub-Fund may fail to fully recoup its initial investment in these securities even if the security is in one of the highest rating categories.

## 4) ARMS

Adjustable-Rate Mortgage Securities ("ARMS") are pass-through securities collateralised by mortgages with adjustable rather than fixed rates. ARMS eligible for inclusion in a mortgage pool generally provide for a fixed initial mortgage interest rate for the first 3, 6, 12, 13, 36, or 60 scheduled monthly payments. Thereafter, the interest rates are subject to periodic adjustment based on changes to a designated benchmark index.

The ARMS contain maximum and minimum rates beyond which the mortgage interest rate may not vary over the lifetime of the security. In addition, certain ARMS provide for additional limitations on the maximum amount by which the mortgage interest may be adjusted for any

single adjustment period. In the event that market rates of interest rise more rapidly to levels above that of the ARMS maximum rate, the ARMS coupon may represent a below market rate of interest. In these circumstances, the market value of the ARM security will likely have fallen.

Some ARMS contain limitations on changes in the required monthly payment. In the event that a monthly payment is not sufficient to pay the interest accruing on an ARM, any such excess interest is added to the principal balance of the mortgage loan, which is repaid through future monthly payments. If the monthly payment for such an instrument exceeds the sum of the interest accrued at the applicable mortgage interest rate and the principal payment required at such point to amortise the outstanding principal balance over the remaining term of the loan, the excess is then utilised to reduce the outstanding principal balance of the ARM.

**(b) ARMS, MBS and SMRS specific risks**

In addition to the other risks mentioned in this section, ARMS, MBS and SMRS may present the following risks:

**Potential illiquidity** -The lack of an established, liquid secondary market for some ARMS, MBS and SMRS may have an adverse effect on the market value of those ARMS, MBS or SMRS and on a Sub-Fund's ability to dispose of them. Therefore, no assurance can be given that, if the Investment Manager decides to dispose of a particular investment, it will be able to dispose of such investment at the prevailing market price, or at the price used to generate the published valuation of a Sub-Fund. Such illiquidity may adversely affect the price and timing of liquidations of ARMS, MBS or SMRS, the published value of a Sub-Fund, and the ability of a Sub-Fund to make distributions or to fund withdrawals.

**Prepayment risk** – ARMS, MBS and SMRS in which a Sub-Fund will invest are often subject to extension and prepayment risks which may have substantial impact on the timing of their cash flows. The average life of each individual security may be affected by a large number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory prepayment, or sinking fund features), the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries, and the level of rotation in the underlying assets. As a result, no assurance can be made as to the exact timing of cash flows from the portfolio of securities. This uncertainty may affect the returns of a Sub-Fund.

#### **10.1.49 Synthetic Short Selling Risk**

A Sub-Fund may take synthetic short positions on a security through the use of financial derivative instruments in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The synthetic short selling of investments may also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.

#### **10.1.50 TBA Risk**

A Sub-Fund may purchase TBAs issued by GNMA, FNMA and FHLMC. This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (GNMA, FNMA or FHLMC) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified.

Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts.

During the time, a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), shall be held as cover for the transaction.

If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, a Sub-Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If a Sub-Fund delivers securities under the commitment, the Sub-Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.

#### **10.1.51 Limited Number of Securities Risk**

A Sub-Fund may generally hold a limited number of securities depending on an Investment Manager's assessment of the investment opportunities available. This allows an Investment Manager to focus on the potential of those particular issuers, but it also means that a Sub-Fund may be more volatile than those sub-funds that hold a greater number of securities.

#### **10.1.52 Initial Public Offerings**

Under certain market conditions, a Sub-Fund may invest in companies at the times of their initial public offerings ("IPOs"). Companies involved in IPOs generally have limited operating histories, and prospects for future profitability are uncertain. Prices of IPOs may also be unstable because of the absence of a prior public market, the small number of shares available for trading, and limited investor information. IPOs may be sold within 12 months of purchase. This may result in increased short-term capital gains, which will be taxable to shareholders as ordinary income.

#### **10.1.53 Convertible Contingent Bonds Risk**

Some convertible securities are issued as so-called contingent convertible bonds (or "CoCo Bonds"), where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. As such, issuers of such bonds may tend to be those that are vulnerable to weakness in the financial markets. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss.

The investments in contingent convertible bonds may also entail the following risks (non-exhaustive list):

- *Coupon cancellation*: for some CoCo Bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
- *Yield*: investors have been drawn to the instruments as a result of the CoCo Bond's often attractive yield which may be viewed as a complexity premium.
- *Valuation and Write-down risks*: the value of CoCo Bonds may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a portfolio may lose its entire investment or may be required to accept cash or securities

with a value less than its original investment.

- *Call extension risk*: some CoCo Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- *Capital structure inversion risk*: contrary to classical capital hierarchy, CoCo Bonds' investors may suffer a loss of capital when equity holders do not.
- *Conversion risk*: it might be difficult for an investment manager to assess how the securities will behave upon conversion. In case of conversion into equity, an investment manager might be forced to sell these new equity shares since the investment policy of the sub-fund concerned does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.
- *Unknown risk*: the structure of CoCo Bonds is innovative yet untested.
- *Industry concentration risk*: investment in CoCo Bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.
- *Trigger level risk*: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for an investment manager to anticipate the triggering events that would require the debt to convert into equity.
- *Liquidity risk*: in certain circumstances finding a ready buyer for CoCo Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the CoCo Bonds in order to sell it.

## **10.2 Use of financial derivatives**

While the prudent use of financial derivatives can be beneficial, financial derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of financial derivatives that investors should understand before investing in a Sub-Fund which may invest in financial derivatives.

### **10.2.1 Management Risk**

An Investment Manager may use financial derivatives to adjust the risk and return characteristics of a Sub-Fund's investments and to link the value of a Sub-Fund to the performance of the relevant Underlying Asset for the Sub-Fund. Among other things, the success of a particular financial derivatives transaction depends in part on the ability of the relevant Investment Manager to accurately predict movements in the price of the Underlying Asset of the derivative. Financial derivatives do not always perfectly or even highly correlate or track the value of the Underlying Asset they are designed to track. Consequently, an Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

If an Investment Manager judges market conditions incorrectly or employs a strategy that does not correlate well with a Sub-Fund's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may

increase the volatility of a Sub-Fund and may involve a small investment of cash relative to the magnitude of the risk assumed.

### **10.2.2 Control and Monitoring Risk**

Financial derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of financial derivative techniques requires an understanding not only of the Underlying Assets of the financial derivative but also of the financial derivative itself, without the benefit of observing the performance of the financial derivative under all possible market conditions. In particular, the use and complexity of financial derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a financial derivative adds to a Sub-Fund, and the ability to forecast the relative price, interest rate or currency rate movements correctly.

### **10.2.3 Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a financial derivative transaction is particularly large, if the relevant market is illiquid or during periods of extreme market volatility, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Financial derivative instruments may be highly specialised and there may be only a limited number of or no other counterparties that provide them.

### **10.2.4 Counterparty Risk**

A Sub-Fund may enter into financial derivative transactions on an over-the-counter ("OTC") basis. OTC derivatives agreements are specifically tailored to the needs of an individual user and enable the user to structure precisely the date, market level and amount of a given position. Participants in an OTC transaction are not afforded the same protection as may apply to participants trading futures, options, contracts for differences or swaps on Regulated Markets, such as the performance guarantee of an exchange clearing house. The counterparty for OTC agreements will be the specific company or firm involved in the transaction, rather than a Regulated Market.

Such agreements will expose a Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such agreements. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience significant delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period, and fees and expenses incurred in enforcing its rights. There is also a possibility that the OTC agreements are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

### **10.2.5 Leverage Risk**

The amount of the initial margin (the amount that needs to be advanced or committed at the early stage for booking a transaction) that may be invested in a particular financial derivatives transaction by a Sub-Fund is small relative to the value of the return that is intended to be achieved through such financial derivative transaction, so that transactions are "leveraged". A relatively small market movement will have a proportionately larger impact which may work for



or against a Sub-Fund. The placing of certain orders by a Sub-Fund which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

### **10.2.6 Valuation Risk**

Using financial derivatives involves the risk of differing valuations of financial derivatives arising out of different permitted valuation methods and the inability of financial derivatives to correlate perfectly with Underlying Assets, rates and indices. Many financial derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Valuation of financial derivatives can be very difficult to perform accurately during periods of extreme market volatility. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund.

The valuation of OTC derivatives for the purposes of calculating the Net Asset Value per Share of each Class is performed by the Central Administration Agent as set out in the section entitled "Calculation of Net Asset Value", in accordance with the UCITS requirements for the valuation of OTC derivatives.

The valuations produced by the Central Administration Agent may differ from the valuation produced by the calculation agent for the relevant OTC derivative transaction where the OTC derivative transaction is to be reset, terminated or closed-out in accordance with the terms and conditions applicable to the relevant transaction. This means that there may be a difference between the Central Administration Agent's valuation of an OTC derivative and the actual exposure of a Sub-Fund to that financial derivative, which may result in a gain or loss to a Sub-Fund.

### **10.2.7 Securities Lending and Repurchase Transactions Risks**

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

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

and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

### **10.3 The Stock Connect Risks**

Certain Sub-Funds, subject to their investment objectives, strategies and restrictions as set out in Annex A, may invest and have direct access to certain eligible China A-Shares via the Stock Connect (as defined below).

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEx, Shenzhen Stock Exchange ("SZSE") and ChinaClear (the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and any other similar programme(s) which may be introduced from time to time, being collectively referred to as the "Stock Connect"). The aim of the Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Funds), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("SEHK"), may be able to trade eligible China A-Shares listed on SSE by routing orders to SSE.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE.

#### **10.3.1 Eligible Securities**

##### **(i) Shanghai-Hong Kong Stock Connect**

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Sub-Funds) are able to trade selective stocks listed on the SSE market (i.e. "SSE Securities"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H shares (i.e. shares issued by PRC companies and traded on the Hong Kong Stock Exchange) listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert".

##### **(ii) Shenzhen-Hong Kong Stock Connect**

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Sub-Funds) are able to trade selective stocks listed on the SZSE market (i.e. "SZSE Securities"). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6

billion, and all the SZSE-listed China A-Shares which have corresponding H shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert" or under delisting arrangement.

It is expected that both lists of SSE Securities and SZSE Securities will be subject to review and approval by the relevant regulatory bodies from time to time.

Further information about the Stock Connect is available online at the website: <http://www.hkex.com.hk/mutualmarket>

Where a Sub-Fund invests through the Stock Connect, such Sub-Fund will be subject to the following risks associated with the Stock Connect:-

*Quota limitations risk* – The Stock Connect is subject to quota limitations. Trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be subject to a daily quota respectively ("Daily Quota"). The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Sub-Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

*Suspension risk* – Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, a Sub-Fund's ability to access the PRC market will be adversely affected.

*Differences in trading days* – The Stock Connect only operate on days when both the PRC and Hong Kong Stock Exchanges are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore it is possible that there are occasions when it is a normal trading day for the PRC Stock Exchanges but Hong Kong Stock Exchanges or banks are closed and overseas investors (such as a Sub-Fund) cannot carry out any China A-Shares trading. Due to the differences in trading days, a Sub-Fund may be subject to a risk of price fluctuations in China A-Shares on a day that the PRC Stock Exchanges are open for trading but the Hong Kong Stock Exchanges is closed.

*Operational risk* – The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC Stock Exchanges directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in these programmes subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading China A-Shares through the Stock Connect. However, it should be appreciated that the securities regimes and legal systems of the two markets differ

significantly and in order for the programmes to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. SEHK has set up an order routing system ("China Stock Connect System") to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. A Sub-Fund's ability to access the China A-Shares market (and hence to pursue its investment strategy) will be adversely affected.

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

Generally, if a Sub-Fund desires to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("Trading Day") unless its brokers can otherwise confirm that the Sub-Fund has sufficient China A-Shares in the accounts. If it fails to meet this deadline, it will not be able to sell those shares on the Trading Day. Because of this requirement, a Sub-Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

However, a Sub-Fund may request a custodian to open a special segregated account ("SPSA") in CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating China Stock Connect System to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs a Sub-Fund's sell order, the Sub-Fund will be able to dispose of its holdings of China A-Shares (as opposed to the practice of transferring China A-Shares to the broker's account under the current pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for a Sub-Fund will enable it to dispose of its holdings of China A-Shares in a timely manner.

*Recalling of eligible stocks* – When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of a Sub-Fund, for example, when the Investment Manager or the Sub-Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

*Custody, clearing and settlement risk* – The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEx, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The China A-Shares traded through Stock Connect are issued in scripless form, so investors will not hold any physical China A-Shares. Hong Kong and overseas investors (including the Sub-Funds) who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities with their brokers' or custodians' stock accounts with CCASS.

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

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

*Participation in corporate actions and shareholders' meetings* – Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities (as the case may be).

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. The HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Sub-Funds) are holding SSE Securities and SZSE Securities traded via the Stock Connect through their brokers or custodians, and they will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be very short. Therefore, it is possible that a Sub-Fund may not be able to participate in some corporate actions in a timely manner.

*Nominee arrangements in holding China A-Shares* – HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors (including the Sub-Funds) through the Stock Connect. The current Stock Connect rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE Securities/SZSE Securities and that it has a direct interest in the matter, Investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that a Sub-Fund will not encounter difficulties or delays in terms of enforcing its rights in relation

to China A-Shares acquired through the Stock Connect. However, regardless of whether a beneficial owner of SSE Securities under Shanghai-Hong Kong Stock Connect or SZSE Securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE Securities and SZSE Securities where necessary.

*Currency risk* – Where a Sub-Fund is denominated in US dollars or other foreign currency, the performance of the Sub-Fund may be affected by movements in the exchange rate between RMB (i.e. the currency in which SSE Securities and SZSE Securities are traded and settled) and USD or other foreign currency. A Sub-Fund may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. On the other hand, failure to hedge foreign currency risks may result in a Sub-Fund suffering from exchange rate fluctuations. For further details on exchange risk, please see risk factor "Currency Risk" above).

*No Protection by Investor Compensation Fund* – Investments through the Stock Connect are conducted through brokers, and are subject to the risks of default by such brokers' in their obligations.

A Sub-Fund's investments through Northbound trading under the Stock Connect are not covered by the Hong Kong's Investor Compensation Fund, which 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. Therefore a Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connect. Further, since a Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

*Regulatory risk* – The Stock Connect is novel in nature, and the Stock Connect will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. A Sub-Fund, which may invest in the PRC Stock Exchanges through the Stock Connect, may be adversely affected as a result of such changes.

### **10.3.2 Risks associated with the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board of the SZSE ("ChiNext Board")**

A Sub-Fund may have exposure to stocks listed on SME Board and/or ChiNext Board of SZSE.

*Higher fluctuation on stock prices* – Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board").

*Over-valuation risk* – Stocks listed on SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation* – The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

*Delisting risk* – It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on a Sub-Fund if the companies that it invests in are delisted.

Investments in the SME Board and/or ChiNext Board may result in significant losses for a Sub-Fund and its Investors.

### **10.3.3 PRC Tax risk**

#### **(i) Dividends**

Pursuant to the "Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) ("Notice No. 81") promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission ("CSRC") on 14 November 2014, a Sub-Fund is subject to a withholding income tax at 10 per cent on dividends received from China A-Shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent PRC authority.

Pursuant to the "Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No.127) ("Notice No. 127") promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 5 November 2016, a Sub-Fund is subject to a withholding tax at 10 per cent on dividends received from China A-Shares traded via Shenzhen-Hong Kong Stock Connect.

#### **(ii) Capital gains**

Pursuant to Notice No. 81 and Notice No. 127, PRC corporate income tax will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the relevant Funds) on the trading of China A-Shares through the Stock Connect. It is noted that Notice No. 81 and Notice No. 127 both state that the corporate income tax exemption effective from 17 November 2014 and from 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the relevant Sub-Funds may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value of such Sub-Funds.

## 11. TAXATION

The following is based on the Company's understanding of, and advice received on, certain aspects of the laws, regulations, decisions and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular investor or potential Shareholders.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, converting, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

### 11.1 Taxation of the Company

Under current law and practice, the Company is not subject to any Luxembourg tax on its income, profits or gains nor to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax is payable in Luxembourg upon the issue of Shares.

Nevertheless, the Sub-Funds are, in principle, subject to a Luxembourg subscription tax (*taxe d'abonnement*) of 0.05% per annum of their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum will, however, be applicable to:

- any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both;
- any Sub-Fund or Share Class provided that their Shares are only held by one or more Institutional Investor(s).

A subscription tax exemption applies to:

- the portion of any Sub-Fund's assets (pro rata) invested in a Luxembourg investment fund or any of its sub-funds, to the extent it is itself subject to the subscription tax;
- any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund, whose main objective is the investment in microfinance institutions; and
- any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption.

To the extent that the SICAV would only be held by pension funds and assimilated vehicles, the SICAV as a whole would benefit from the subscription tax exemption.



## **Withholding tax**

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

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

### **11.2 Taxation of Shareholders**

Without prejudice to the provisions set out below under "European Union Tax Considerations", under current legislation Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment or a permanent representative in Luxembourg).

### **11.3 Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis. Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in an EU Member State other than Luxembourg or in a country listed in a Grand Ducal Regulation. In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding an Investor and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such an account is deemed a CRS reportable account under the CRS Law. The Luxembourg tax authorities will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

By investing in the Company, the Investor acknowledges that (i) responding to CRS-related questions is mandatory; (ii) the personal data obtained will be, *inter alia*, used for the purpose of the CRS Law; (iii) information regarding an Investor and his/her/its account may be reported to the Luxembourg tax authorities; (iv) the Company is responsible for the treatment of the personal data provided for in the CRS Law; and (v) he/she/it has a right of access to and rectification of the data communicated to the Luxembourg tax authorities.

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

Investors should consult their professional advisors on the impact of the CRS.

#### 11.4 FATCA

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

To ensure the Company's compliance with the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company may:

- h) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- i) report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA or the paying agents;
- j) report information to the Luxembourg tax authorities concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- k) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with the FATCA Law and the Luxembourg IGA; and
- l) divulge any such personal information to any immediate payor of certain US source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Company, the Investor acknowledges that (i) the Company is responsible for the treatment of the personal data provided for to comply with the FATCA Law; (ii) the personal data obtained will, *inter alia*, be used for the purposes of the FATCA Law; (iii) information regarding an Investor and his/her/its account may be communicated to the Luxembourg tax

authorities; (iv) responding to FATCA-related questions is mandatory; and (v) he/she/it has a right of access to and rectification of the data communicated to the Luxembourg tax authorities

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

#### **11.5 Taxation – General**

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

## **12. GENERAL AND STATUTORY INFORMATION**

### **12.1 Publication of Prices**

The Net Asset Value per Share of each Class, as well as the Issue Price and Redemption Price, may be obtained from the registered office of the Company and any newspaper or website the Directors may determine from time to time.

### **12.2 Reports**

The financial year of the Company ends on 31 March in each year.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Company expressed in Euro, being the Reference Currency of the Company, and financial information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

### **12.3 Meetings**

The annual general meeting of Shareholders will be held at the registered office of the Company in Luxembourg (or any other place indicated in the convening notice) at the date and time decided by the Board of Directors but no later than within six months from the end of the Company's previous financial year. Notices of all general meetings will be published in the *Recueil Electronique des Sociétés et Associations* ("RESA") to the extent required by Luxembourg law and in such other newspapers as the Directors shall determine. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the law of 10 August 1915 (as amended) of the Grand Duchy of Luxembourg and in the Articles.

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

### **12.4 Winding-Up of the Company**

The Company may be wound up by decision of an extraordinary general meeting of the Shareholders. Such a meeting must be convened if the value of the net assets of the Company falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances, decisions to wind up the Company will be taken in accordance with the requirements of the Law of 2010. The meeting shall be convened so that it is held within 40 days of the day on which it was ascertained that the capital had fallen below two thirds or, as the case may be, one quarter of the minimum capital prescribed by Luxembourg law.

Liquidation is carried out by one or more liquidators who may be physical persons or corporate entities and who are appointed with the approval of the supervisory authority by the meeting of Shareholders, which also determines their powers and remuneration.

The net proceeds from the liquidation of each Sub-Fund are paid out by the liquidators to the Shareholders of that Sub-Fund in proportion to the Net Asset Value per Share.

If the Company is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the Caisse de Consignation of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

## **12.5 Segregated liability of Sub-Funds**

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

## **12.6 Dissolution and Amalgamation of Sub-Funds**

Sub-Funds will be automatically dissolved at the end of their fixed term as may be provided for in the relevant Annex.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

- if the Net Asset Value of the Sub-Fund concerned has decreased below the minimum holding as the Board of Directors deems appropriate for the existence of the Sub-Fund in the interest of the Shareholders, or
- if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or
- in order to proceed to an economic rationalisation.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Company shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interests of or to keep fair treatment between the Shareholders, the Shareholders of a Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon a proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect or on when

redemption occurred, as resolved by the Shareholders in the general meeting referred to above. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Company.

Amounts not claimed by relevant Shareholders upon the implementation of the redemption will be deposited in escrow with the Luxembourg *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Under the circumstances provided under the second paragraph of this section, the Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company or to another Luxembourg undertaking for collective investment subject to Part I of the Law of 2010 and to re-designate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund or Luxembourg undertaking for collective investment (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to a Sub-Fund or Luxembourg undertaking for collective investment), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. In case of contribution to another undertaking for collective investment of the mutual fund type, the decision will be binding only on Shareholders of the relevant Sub-Fund who expressly agree to the amalgamation.

## **12.7 Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- the Management Company Services Agreement between the Company and the Management Company;
- the Depositary Bank and Principal Paying Agent Agreement between the Company and the Depositary;
- the Investment Management Agreement between the Company, the Management Company and each Investment Manager;
- the Administration Agency Agreement between the Company, the Management Company and the Central Administration Agent; and
- the Investment Fund Service Agreement between the Company and the Central Administration Agent.

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

## **12.8 Documents available for inspection**

Copies of the following documents are available for inspection during business hours on each Business Day at the registered office of the Company in Luxembourg:

- the Articles;
- the material contracts referred to above.

Copies of the Articles, of the current Prospectus, of the KIIDs and of the latest Reports may be obtained free of charge at the registered office of the Company and on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav).

## **12.9 Past performance**

Past performance information, if any, for all Sub-Funds and/or Classes are or will be included or attached to the KIIDs, the latter being in this respect deemed attached to the Prospectus.

## **PROSPECTUS – ANNEX A**

### **MACQUARIE FUND SOLUTIONS**

#### **INVESTMENT OBJECTIVES AND POLICIES OF EACH SUB-FUND**



This document is an Annex to the prospectus of Macquarie Fund Solutions dated May 2019 (the "Prospectus") and should be read in conjunction with such Prospectus and with the Annex B thereto. If you do not have a copy of the Prospectus, please contact the registered office of Macquarie Fund Solutions to receive a copy of the Prospectus. Unless indicated to the contrary, words defined in the Prospectus, shall have the meaning ascribed therein for the purpose of this Annex.



**I. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL LISTED  
INFRASTRUCTURE FUND**

**(the "Sub-Fund")**

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with a total return over the medium to long term comprising both capital growth and income by investing globally in companies operating in the infrastructure sector.

**2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by investing in eligible assets on a global basis issued by entities that own or operate infrastructure assets.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL") and Macquarie Funds Management Hong Kong Limited ("MFMHK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MFMHK is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of MFMHK is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will invest, directly or indirectly, in eligible assets issued by entities that own or operate infrastructure assets. These are companies that earn a substantial amount of their revenue/profits from owning and/or operating infrastructure assets.

Companies operating in the infrastructure sector typically provide essential services, such as fresh water, roads, airports, utilities, power, communications, hospitals, schools and other social services.

Equity exposure may be achieved through investment in shares, depository receipts, eligible exchange traded funds, index futures, warrants, initial public offerings and other participation rights. Exposure may also be achieved, to a limited extent, through investment in convertible securities, index and participation notes and equity linked notes.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in eligible assets denominated in any currency and the Sub-Fund's exposure to currencies other than its Reference Currency may be hedged or unhedged.

The Sub-Fund may invest in financial derivative instruments for hedging purposes and for efficient portfolio management. In addition, the Sub-Fund may invest in equity swaps for investment purposes.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses as benchmark and reference portfolio the S&P Global Infrastructure Index Net TR USD. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in the infrastructure sector.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Risks relating to the Infrastructure Sector
- Concentration Risk
- Hybrid Securities Risk
- Volatility Risk
- Valuation Risk
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.50%	100	100	100
<b>B</b>	0.95%	100	100	100
<b>F</b>	1.80%	100	100	100
<b>I</b>	0.95%	1,000,000	500,000	50,000
<b>I2</b>	0.95%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with equity investments, who wish to benefit from an investment with exposure to infrastructure and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

## II. MACQUARIE FUND SOLUTIONS – MACQUARIE ASIA NEW STARS FUND

### (the "Sub-Fund")

#### 1. Investment Objective

The Sub-Fund aims to provide Shareholders of each Class of Shares with a return which captures the potential growth of small to mid market capitalisation securities with exposure to one or more countries in Asia (ex-Japan).

#### 2. Investment Strategy

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed securities of companies with a small or medium market capitalisation at the time of investment that provide exposure to one or more countries in Asia (ex-Japan) that qualify, or will qualify as Eligible Markets.

The Investment Manager uses both qualitative and quantitative approaches to stock selection and weighting of stocks within the portfolio.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

#### 3. Dealing Information

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 01.00 am (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	<p>Means any Business Day; however, this Sub-Fund may also be closed on other days when markets or exchanges on which a substantial portion of the Sub-Fund's investments is traded are closed.</p> <p>A list of expected non-Dealing Days for this Sub-Fund is available at the registered office of the Company upon request and on <a href="http://www.mim-emea.com/sicav">http://www.mim-emea.com/sicav</a>.</p>
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

#### 4. Investment Manager and Sub-Investment Manager

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of the Sub-Fund to Macquarie Funds Management Hong Kong Limited (the "Sub-Investment Manager"). The Sub-Investment Manager is an affiliate of the Investment Manager and is also part of the Macquarie Group. The Sub-Investment Manager is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of the Sub-Investment Manager is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will aim to meet the investment objective by investing primarily in the listed securities of companies with a small or medium market capitalisation that provide exposure to one or more countries in Asia (ex-Japan) that qualify, or will qualify as Eligible Markets. Securities may be considered to have exposure to any one or more regions of Asia if (a) their securities are listed in any Asia (ex-Japan) market or (b) if they are listed in any other Eligible Market (such as the United States of America or the United Kingdom) and derive, or are expected to derive, a significant portion of their revenues from one or more countries in Asia (ex-Japan). For the purpose of gaining exposure to shares listed on PRC Stock Exchanges, the Sub-Fund may invest up to 100% of its net assets in China A-Shares through the Stock Connect.

The companies may operate in any industry sector subject to the below.

The Investment Manager and the Sub-Investment Manager will use all reasonable efforts to ensure that the Sub-Fund does not invest in the following types of company: (a) tobacco companies (being any company whose primary business is the manufacture of tobacco products) and (b) companies involved in the production of anti-personal mines, nuclear weapons, chemical weapons and biological weapons (being any company where publicly available information clearly demonstrates that such company is actively and knowingly involved in the production of such weapons).

In addition to listed equity securities, equity exposure may also be achieved through investment in depository receipts, initial public offerings, and participation notes. Exposure may also be achieved, to a limited extent, through investment in equity swaps, convertible securities, index linked notes, index futures, warrants and other participation rights.

The Sub-Fund may also provide investors with exposure to returns from secondary market trading of recently listed small and mid cap securities with exposure to one or more countries in Asia ex-Japan.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager. The Sub-Fund will have the ability to reduce equity market risk by holding up to 20% in cash and money market instruments.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in eligible assets denominated in any currency and the Sub-Fund's exposure to currencies other than its Reference Currency is unhedged.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses as benchmark and reference portfolio the MSCI Asia ex-Japan Small Companies Index. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In particular, as the Sub-Fund may invest in shares listed on PRC Stock Exchanges through the Stock Connect, investors should take note of the description of the specific risks in relation thereto in sub-section 10.3 "The Stock Connect Risks".

In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Small- and Mid-Cap Companies Risk
- Risks relating to Emerging or Frontier Markets
- Concentration Risk
- Volatility Risk
- Performance Risk
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is USD.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	1.65%	100	100	100
B	0.95%	100	100	100
F	1.80%	100	100	100
I	0.95%	1,000,000	500,000	50,000
A2	1.10%	100	100	100
I2	0.95%	1,000,000	500,000	50,000
A3	0.70%	100	100	100
I3	0.70%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with equity investments, who wish to benefit from an investment with exposure to Asia (ex-Japan) including some emerging markets and who are familiar with the opportunities and risks specific to this market sector. Investors may experience fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.



### III. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL INCOME OPPORTUNITIES FUND

*(the "Sub-Fund")*

#### 1. Investment Objective

The Sub-Fund aims to provide Shareholders of each Class of Shares with a higher return than cash over the medium term by using primarily an active global credit based investment strategy.

#### 2. Investment Strategy

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of global credit based securities issued by companies, governments or other governmental entities. The core of the Sub-Fund is largely invested in global investment grade credit based securities, however the Sub-Fund may also have exposure to cash, global high yield credit securities, emerging market debt, hybrid securities, structured securities and other income securities such as bank loans (including senior bank loans) that qualify as money market instruments in accordance with the applicable investment restrictions. These investments may be direct or through exposure via financial derivative instruments. Investment in bank loans (including senior bank loans) shall not exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund aims to achieve the investment objective by mobilising three skill sets to generate returns and control risk:

- i. **Sector rotation:** Opportunistic approach to investing in global credit sectors that provide the best risk/return profile depending on market conditions.
- ii. **Security selection:** Identification of an initial investible universe based on detailed credit analysis. The primary focus is on the quality of issuers – including only high quality issuers and excluding any weaker issuers where the Investment Manager believes that there is risk of a downgrade.
- iii. **Portfolio construction:** The aim is to generate performance through the Investment Manager's attention to relative pricing, market movements and risk allocation.

The types of eligible assets in which the Sub-Fund may invest are set out in section 5 below.

#### 3. Dealing Information

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

#### **4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL"), Macquarie Investment Management Europe Limited ("MIMEL"), and Macquarie Investment Management Austria Kapitalanlage AG ("MIMAK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MIMEL is incorporated under the laws of England and Wales (Company No. 09612439, Firm Reference No. 733534) and was established on 28 May 2015. MIMEL is regulated by the Financial Conduct Authority and holds permission for managing investments.

MIMEL was established in May 2015 to conduct the distribution and portfolio management activities for Macquarie Investment Management, which is the securities investment management division of the Macquarie Group and offers a full range of asset classes.

The registered office of MIMEL is at:  
Ropemaker Place,  
28 Ropemaker Street,  
London, EC2Y 9HD,  
United Kingdom

MIMAK holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

MIMAK was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. It is one of the leading asset managers in

Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of MIMAK is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of global credit based securities.

The Sub-Fund will invest, directly or indirectly, in eligible debt securities, convertible securities, asset-backed or mortgage backed securities and similar credit based securities issued by companies, governments or other governmental entities on a global basis.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager.

The usage of a number of instruments such as derivatives may give rise to leverage, however the Sub-Fund will not borrow cash to buy physical securities. The Sub-Fund may invest more than 20% of net assets into asset backed securities (including mortgage backed and other asset backed securities). Any such issuer may be located in any jurisdiction worldwide. These instruments are investment grade quality and traded either on primary or secondary markets and may be denominated in a number of currencies.

In principle, the Sub-Fund will be managed as fully hedged against currency exposure but the Investment Manager will have some discretion in managing FX risk and may from time to time trade FX in order to add value in the Sub-Fund. However, FX trading will not be a primary source of alpha.

Credit Derivatives including credit linked notes, credit default swaps and credit indices are used to gain exposure to parts of the maturity spectrum otherwise unavailable, to trade relative value between physical and derivative exposures and to hedge unwanted credit exposure at minimal cost that allows that exposure to be reinstated if desired.

Interest Rate Derivatives including futures, options and swaps are used to hedge interest rate exposures of fixed rate securities, implement tactical duration trades, and to hedge exposure to the spread between swap and government bonds.

Foreign exchange derivatives including, but not limited to, forwards are used primarily to hedge offshore securities but the Sub-Fund may from time to time trade FX in order to add value in the Sub-Fund.

The Sub-Fund may, on an ancillary basis, invest in financial derivative instruments linked to one or more credit indices such as, but not limited to, Markit CDX North American Investment Grade, Markit iTraxx Europe and Markit iTraxx Crossover in accordance with the Sub-Fund's investment strategy. Information in relation to these indices may be obtained from the Markit website ([www.markit.com](http://www.markit.com)). The constituents of such indices are generally rebalanced on a six monthly basis. Direct costs of total return swaps are embedded in the bid-ask spreads of total return swaps pricing.

The Sub-Fund may, on an ancillary basis, invest in (funded and/or unfunded) total return swaps or in other financial derivative instruments with similar characteristics. The underlying assets of such instruments will be those described in this Section 5 and the strategy will be in accordance with the strategy described in Section 2. Any counterparty for such transactions will be first class financial institutions specialised in these types of transactions, subject to prudential supervision and shall be approved by the Board of the Company. The indices linked to total return swaps will be related to instruments eligible for the Sub-Fund, which are primarily fixed income indices such as but not limited to iBoxx indices - iBoxx \$ HY (BBG Ticker IBOXHY) or iBoxx \$ IG (BBG Ticker IBOXIG).

The expected proportion of the net assets of the Sub-Fund that could be subject to total return swaps is 2%, subject to a maximum of 15%.

The Sub-Fund may, on an ancillary basis, invest in bank loans (including senior bank loans). These securities represent a private debt financing instrument and are traded directly with the selling bank in an over the counter market. The Sub-Fund will be restricted to investing in bank loans (including senior bank loans) that qualify as money market instruments in accordance to the Law of 2010 and related regulations (it being understood that no more than 10% of the net assets of the Sub-Fund can be invested in such bank loans (including senior bank loans)). The bank loan market is actively traded and priced daily by a number of third party pricing service providers. The investment manager will at all times use appropriate risk monitoring to ensure the investable bank loans (including senior bank loans) meet the criteria of money market instruments in accordance to the Law of 2010 and related regulations.

The Sub-Fund may also invest up to 10% in eligible ETFs, UCITS and other UCIs (including Sub-Funds of the Company) which have a similar investment policy and strategy as the Sub-Fund.

Except through the receipt of Management Fees, the Investment Manager will not be reimbursed from the assets of the Sub-Fund for any direct and indirect operational costs/fees resulting from the use of instruments or techniques for the efficient portfolio management of the Sub-Fund.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses the US 3 Month Libor as a performance benchmark where the share class is denominated in the Reference Currency or the 3 Month Libor equivalent for share classes denominated in another currency.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". In making an investment decision, potential investors should consider

and weigh the expected performance of, and the risks associated with, investments in global credit based securities.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity risk
- Structured Security Risk
- Risks relating to Emerging or Frontier Markets
- Leverage Risk
- Currency Risk
- Bank Loans Risk
- Investment Fund Risk

## 8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is USD.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	0.65%	100	100	100
B	0.55%	100	100	100
I	0.50%	1,000,000	500,000	50,000
A2	0.62%	100	100	100
I2	0.50%	1,000,000	500,000	50,000
SI	0.50%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## **11. Profile of the Typical Investor**

The Sub-Fund is suitable for investors who have experience with bond investments, who wish to benefit from an investment with exposure to global fixed interest securities and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

#### **IV. MACQUARIE FUND SOLUTIONS – MACQUARIE ASIAN ALL STARS FUND**

##### **(the "Sub-Fund")**

### **1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with a return which captures the potential growth of securities with exposure to one or more countries in Asia (ex-Japan).

### **2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed securities of companies that provide exposure to one or more countries in Asia (ex-Japan) that qualify, or will qualify as Eligible Markets.

The Investment Manager uses both qualitative and quantitative approaches to stock selection and weighting of stocks within the portfolio.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

### **3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 01.00 am (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	<p>Means any Business Day; however, this Sub-Fund may also be closed on other days when markets or exchanges on which a substantial portion of the Sub-Fund's investments is traded are closed.</p> <p>A list of expected non-Dealing Days for this Sub-Fund is available at the registered office of the Company upon request and on <a href="http://www.mim-emea.com/sicav">http://www.mim-emea.com/sicav</a>.</p>
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

### **4. Investment Manager and Sub-Investment Manager**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of the Sub-Fund to Macquarie Funds Management Hong Kong Limited (the "Sub-Investment Manager"). The Sub-Investment Manager is an affiliate of the Investment Manager and is also part of the Macquarie Group. The Sub-Investment Manager is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of the Sub-Investment Manager is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will aim to meet the investment objective by investing primarily in the listed securities of companies that provide exposure to one or more countries in Asia (ex-Japan) that qualify, or will qualify as Eligible Markets. Securities may be considered to have exposure to any one or more regions of Asia if (a) their securities are listed in any Asia (ex-Japan) market or (b) if they are listed in any other Eligible Market (such as the United States of America or the United Kingdom) and derive, or are expected to derive, a significant portion of their revenues from one or more countries in Asia (ex-Japan). For the purpose of gaining exposure to shares listed on PRC Stock Exchanges, the Sub-Fund may invest up to 100% of its net assets in China A-Shares through the Stock Connect.

The companies may operate in any industry sector subject to the following paragraph:

The Investment Manager and the Sub-Investment Manager will use all reasonable efforts to ensure that the Sub-Fund does not invest in the following types of company: (a) tobacco companies (being any company whose primary business is the manufacture of tobacco products) and (b) companies involved in the production of anti-personal mines, nuclear weapons, chemical weapons and biological weapons (being any company where publicly available information clearly demonstrates that such company is actively and knowingly involved in the production of such weapons).

In addition to listed equity securities, equity exposure may also be achieved through investment in depository receipts, initial public offerings and participation notes. Exposure may also be achieved, to a limited extent, through investment in equity swaps, convertible securities, index linked notes, index futures, warrants and other participation rights.

The Sub-Fund may also provide investors with exposure to returns from secondary market trading of recently listed securities with exposure to one or more countries in Asia ex-Japan.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager. The Sub-Fund will have the ability to reduce equity market risk by holding up to 20% in cash and money market instruments.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in eligible assets denominated in any currency and the Sub-Fund's exposure to currencies other than its Reference Currency is unhedged.



All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses as benchmark and reference portfolio the MSCI AC Asia ex-Japan NR Index. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In particular, as the Sub-Fund may invest in shares listed on PRC Stock Exchanges through the Stock Connect, investors should take note of the description of the specific risks in relation thereto in sub-section 10.3 "The Stock Connect Risks".

In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Risks relating to Emerging or Frontier Markets
- Concentration Risk
- Volatility Risk
- Performance Risk
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.65%	100	100	100
<b>B</b>	0.75%	100	100	100
<b>I</b>	0.75%	1,000,000	500,000	50,000
<b>A2</b>	0.85%	100	100	100
<b>I2</b>	0.75%	1,000,000	500,000	50,000
<b>A3</b>	0.80%	100	100	100
<b>I3</b>	0.60%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with equity investments, who wish to benefit from an investment with exposure to Asia (ex-Japan) including some emerging markets and who are familiar with the opportunities and risks specific to this market sector. Investors may experience fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

## **V. MACQUARIE FUND SOLUTIONS – MACQUARIE EMERGING MARKETS SMALL CAP FUND**

*(the "Sub-Fund")*

### **1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with a return which captures the potential long-term capital growth of securities of small-sized companies that are domiciled or chiefly active in emerging markets.

### **2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed securities of small-sized companies that provide exposure to countries in emerging markets.

Using an active, primarily bottom-up approach, the Investment Manager will seek to select securities of companies that it believes are undergoing positive fundamental change, which may lead to better than expected earnings growth. The Investment Manager believes that the magnitude and duration of growth driven by positive fundamental change is often underestimated and the shares of the companies experiencing such a change typically will continue to experience relative price strength and continue to outperform the broader market. The Investment Manager may sell a security if it no longer believes that the security is likely to contribute to meeting the investment objective of the Sub-Fund or if there are other opportunities that appear more attractive.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

### **3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day; however, this Sub-Fund may also be closed on other days when markets or exchanges on which a substantial portion of the Sub-Fund's investments is traded are closed.  A list of expected non-Dealing Days for this Sub-Fund is available at the registered office of the Company upon request and on <a href="http://www.mim-emea.com/sicav">http://www.mim-emea.com/sicav</a> .
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

### **4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which

was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL") and Macquarie Funds Management Hong Kong Limited ("MFMHK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MFMHK is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of MFMHK is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed securities of small-sized companies that provide exposure to countries in emerging markets. Securities may be considered to have exposure to emerging markets if (a) their securities are listed in countries determined to be emerging by an industry standard research and index provider Morgan Stanley Capital International ("MSCI"); (b) if they are listed in any other Eligible Market (including developed markets such as the United States of America or the United Kingdom) and derive, or are expected to derive, a significant portion of their revenues from countries determined to be emerging markets; or (c) are otherwise considered to be delivering exposure to emerging markets. The companies may operate in any industry sector subject to the following paragraph.

For the purpose of gaining exposure to shares listed on PRC Stock Exchanges, the Sub-Fund may invest up to 20% of its net assets in China A-Shares through the Stock Connect.

In addition to listed equity securities, equity exposure may also be achieved through investment in depository receipts, and participation notes. Exposure may also be achieved, to a limited extent, through investment in equity swaps, convertible securities, index linked notes, index futures, warrants and other participation rights.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager.

Under normal circumstances, the Sub-Fund, consistent with its investment objective, will generally invest in a broad range of equity securities, and securities with equity-like characteristics, of issuers outside of the US in both emerging and developed markets. Those securities include, without limitation: common stocks, preferred stocks, securities convertible into equity securities, such as rights, warrants and options; depository receipts and depository shares (including ADRs, ADSs, EDRs and GDRs), securities issued by REITs and REIT-like issuers, securities sold in private placements or pursuant to US Securities and Exchange Commission Rule 144A, new issues, including initial and secondary public offerings, pooled investment funds or structured products investing primarily in the securities listed above, including, up to the limits permitted, eligible exchange-traded funds, country funds, participation notes, equity-linked notes, and unit investment trusts, and derivatives which are exchange-traded or traded over-the-counter. The Sub-Fund may also invest in frontier markets.

In response to unfavourable market conditions, the Sub-Fund may make temporary investments in cash or cash equivalents or other high quality short-term instruments. The Sub-Fund will have the ability to reduce equity market risk by holding up to 10% in cash and money market instruments.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in eligible assets denominated in any currency and the Sub-Fund's exposure to currencies other than its Reference Currency is unhedged.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses as a benchmark and reference portfolio the MSCI Emerging Markets Small Cap NR Index. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or

otherwise have exposure to, emerging markets. In particular, as the Sub-Fund may invest in shares listed on PRC Stock Exchanges through the Stock Connect, investors should take note of the description of the specific risks in relation thereto in sub-section 10.3 "The Stock Connect Risks".

In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Risks relating to Emerging or Frontier Markets
- Concentration Risk
- Small- and Mid-Cap Companies Risk
- Country Risk
- Political Risk
- Valuation Risk
- Counterparty and Settlement Risk
- Taxation risk
- Volatility Risk
- Performance Risk
- Investment Fund Risk
- Real Estate Risk
- Investments in REITs
- Leverage Risk
- Currency Risk
- Liquidity risk
- Income Securities Risk
- Default Risk
- Credit Risk
- Convertible Bonds and Hybrid Security Risk
- Initial Public Offerings
- Restricted Securities Risk

#### **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

#### **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

#### **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or

not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	2.00%	100	100	100
<b>I</b>	1.00%	1,000,000	500,000	50,000
<b>A2</b>	1.30%	100	100	100
<b>I2</b>	1.00%	1,000,000	500,000	50,000
<b>IF</b>	0.80%	1,000,000	500,000	50,000
<b>SI</b>	0.90%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with equity investments, who wish to benefit from investments in listed securities of small-sized companies that provide exposure to countries in emerging markets and who are familiar with the opportunities and risks specific to this market sector. Investors may experience fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**VI. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL MULTI  
ASSET ABSOLUTE RETURN FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with a robust absolute return over the long term by using primarily an active global asset allocation.

**2. Investment Strategy**

The Sub-Fund aims to meet the investment objective by primarily using an investment strategy focused on achieving consistent performance, at the same time giving due consideration to the liquidity of the Sub-Fund's assets. The Sub-Fund's investment strategy is based on an active global asset allocation. The core of the Sub-Fund is largely invested in investment funds units (UCITS and UCIs), including eligible exchange traded funds ("ETFs"). However, the Sub-Fund may also invest in exchange traded commodities ("ETCs") qualifying as eligible transferable securities and have exposure to credit based securities, equities, cash (in different currencies) and other asset classes.

The Sub-Fund aims to achieve the investment objective by combining active asset allocation decisions and strict risk management principles within a coherent portfolio construction process:

- i. **Active asset allocation decisions:** Both quantitative and qualitative asset allocation decisions are combined to provide the best return profile depending on market conditions. These decisions aim to steer the Sub-Fund's exposure to the most promising asset classes, countries, sectors, currencies etc.
- ii. **Risk management principles:** The Sub-Fund intends to hold the portfolio volatility constant over the medium term. This is achieved by actively integrating risk management in the portfolio construction process and thereby considering the attractiveness of asset allocation views in relation to their risk characteristic within the current market environment.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day

**4. Investment Manager**

The Sub-Fund's Investment Manager is Macquarie Investment Management Austria Kapitalanlage AG.



The Investment Manager holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

The Investment Manager is part of the Macquarie Group. The Investment Manager was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. The Investment Manager is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of the Investment Manager is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of global asset classes. These asset classes include equities, bonds, commodities related securities or indices, currencies and cash.

The Sub-Fund will invest primarily in units/shares of investment funds (UCITS and UCIs), including ETFs and on an ancillary basis in other transferable securities (including securities with embedded derivative instruments on eligible assets such as but not limited to ETCs) to gain exposure to these asset classes. The Sub-Fund will not be exposed to any physical commodities directly, nor enter into any contracts relating to physical commodities.

In addition, the Sub-Fund will invest directly in equities, debt securities, convertible securities issued by companies, governments or other governmental entities on a global basis.

Fixed and floating rate debt securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager.

**Transferable securities or money-market instruments issued or guaranteed by any of the following States, i.e. Australia, Belgium, Brazil, Chile, Denmark, Germany, Estonia, Finland, France, Greece, India, Ireland, Iceland, Israel, Italy, Japan, Canada, Liechtenstein, Luxembourg, Mexico, New Zealand, the Netherlands, Norway, Austria, Poland, Portugal, Russia, Sweden, Switzerland, the Slovak Republic, Slovenia, Spain, South Africa, South Korea, the Czech Republic, Turkey, Hungary, the United Kingdom and the United States, may represent more than 35% of the Sub-Fund's assets, provided investment takes place in at least six different issues, and securities from any single issue does not exceed 30% of the Sub-Fund's total assets.**

Units/shares of any one investment fund (UCITS or UCI) may represent up to 20% of the Sub-Fund's assets while the sum of all investments in units/shares of UCITS/UCIs may represent up to 100% of the Sub-Fund's assets provided such UCITS/UCIs do not invest more than 10% of their own assets in units of other investment funds.

Units in UCIs other than UCITS may represent up to 30% of the Sub-Fund's assets.

The Sub-Fund may invest in investment funds (UCITS/UCIs) managed by Macquarie Group companies. The total management fees that may be charged to both the Sub-Fund itself and to the investment funds in which it will invest shall not exceed 4% p.a. of the relevant net assets

under management. In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion management fees charged both to the Sub-Fund and to the UCITS and/or UCIs in which the Sub-Fund invests.

Financial derivative instruments may represent up to 100% of the Sub-Fund's assets, to either gain exposure or partially hedge exposure to specific assets such as, but not limited to, equity indices and parts of the maturity spectrum of certain bond markets.

Foreign exchange derivatives including, but not limited to, forwards and futures are used primarily to hedge foreign currency securities. However, the Sub-Fund may from time to time trade FX in order to add value in the Sub-Fund.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Investment Fund Risk
- Income Securities Risk
- Liquidity Risk
- Emerging Market Risk
- Leverage Risk
- Currency Risk
- Commodities Risk

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is EUR.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	1.15%	100	100	100
B	0.50%	100	100	100
I	0.50%	1,000,000	500,000	50,000
A2	0.80%	100	100	100
I2	0.50%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with multi-assets investments including, but not limited to, investments in exchange trade funds, who wish to benefit from an exposure to a global multi-asset investment and are familiar with the opportunities and risks specific to this strategy. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

## VII. MACQUARIE FUND SOLUTIONS – MACQUARIE EURO GOVERNMENT BOND FUND

*(the "Sub-Fund")*

### 1. Investment Objective

The Sub-Fund aims to provide Shareholders of each Class of Shares with a robust ongoing performance while at the same time giving due consideration to the liquidity of the underlying assets.

### 2. Investment Strategy

The Sub-Fund aims to meet the investment objective by investing in transferable securities in the form of European fixed and floating rate debt securities. The core of the Sub-Fund is largely invested in European government bonds, however the Sub-Fund may also have exposure to corporate bonds, cash and money market instruments in accordance with the applicable investment restrictions. The Sub-Fund is actively managed and covers the entire maturity spectrum.

The Sub-Fund aims to achieve the investment objective by active allocation decisions and enhancing performance with a duration-overlay strategy:

- i. **Active allocation decisions:** Both opportunistic and quantitative model-based investment decisions to seek the most promising country, sector and to a lesser extent curve positioning that provides the best risk/return profile within the current market environment.
- ii. **Duration-overlay strategy:** This strategy is being applied using a quantitative model to steer the Sub-Fund's overall duration exposure with liquid financial futures. The overlay strategy aims to decrease the Sub-Fund's duration exposure in environment of rising yields, while increasing its duration in environments of falling yields.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

### 3. Dealing Information

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day

### 4. Investment Manager

The Sub-Fund's Investment Manager is Macquarie Investment Management Austria Kapitalanlage AG.

The Investment Manager holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

The Investment Manager is part of the Macquarie Group. The Investment Manager was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. The Investment Manager is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of the Investment Manager is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet its investment objective by primarily investing in a carefully selected and diverse range of European fixed and floating rate debt securities and fixed income futures.

The Sub-Fund will primarily invest, directly or indirectly, in eligible debt securities denominated in Euros that are issued by governments or other governmental entities in Europe.

The Sub-Fund may also have exposure to other debt securities denominated in other currencies.

Fixed and floating rate debt securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager.

The use of a number of instruments, such as derivatives, may give rise to leverage, however the Sub-Fund will not borrow cash to buy physical securities. Interest Rate Derivatives including futures and options are used to implement the duration-overlay strategy for additional income. The strategy either hedges or extends the Sub-Fund's interest rate exposure.

**Transferable securities or money-market instruments issued or guaranteed by any of the following States, i.e. Australia, Belgium, Brazil, Chile, Denmark, Germany, Estonia, Finland, France, Greece, India, Ireland, Iceland, Israel, Italy, Japan, Canada, Liechtenstein, Luxembourg, Mexico, New Zealand, the Netherlands, Norway, Austria, Poland, Portugal, Russia, Sweden, Switzerland, the Slovak Republic, Slovenia, Spain, South Africa, South Korea, the Czech Republic, Turkey, Hungary, the United Kingdom and the United States, may represent more than 35% of the Sub-Fund's assets provided investments are made in at least six different issues of the same issuer and, securities from any single issue may not exceed 30% of the Sub-Fund's total assets.**

Foreign exchange derivatives including, but not limited to, forwards and futures are used primarily to hedge foreign currency securities. However, the Sub-Fund may from time to time trade FX in order to add value in the Sub-Fund

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net

investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## 7. Risk Considerations for the Sub-Fund

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Risk relating to Emerging or Frontier Markets
- Leverage Risk
- Currency Risk

## 8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is EUR.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	0.75%	100	100	100
B	0.40%	100	100	100
I	0.40%	1,000,000	500,000	50,000
A2	0.55%	100	100	100
I2	0.40%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## **11. Profile of the Typical Investor**

The Sub-Fund is suitable for investors who have experience with bond investments, who wish to benefit from an investment with exposure to European fixed interest securities and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

## VIII. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL CONVERTIBLE FUND

### (the "Sub-Fund")

#### 1. Investment Objective

The Sub-Fund aims to provide Shareholders of each Class of Shares with a return that captures the potential growth and income of global convertible bonds.

#### 2. Investment Strategy

The Sub-Fund will aim to meet the investment objective by primarily investing in convertible bonds issued by corporate bodies, governments and other governmental entities in developed markets. To a lesser extent the Sub-Fund may also invest in equities, bonds, cash, listed futures and eligible exchange traded funds ("ETFs") to enhance liquidity.

The Sub-Fund aims to achieve the investment objective by mobilising three skill sets to select and weight convertible bonds within the portfolio and generate returns:

- i. **Sector and country rotation:** Opportunistic approach to investing in global convertible bond markets that provide the targeted risk/return profile depending on market conditions.
- ii. **Security selection:** Identification of eligible securities based on detailed credit analysis. This analysis also focuses on the issuer's strength to further increase the equity price and as a consequence the equity part of the convertible bond.
- iii. **Option valuation:** The aim is to utilise opportunities of possible mispricing regarding the option part of the convertible bond and as a result enhance the risk/return profile.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

#### 3. Dealing Information

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day

#### 4. Investment Manager and Sub-Investment Manager

The Sub-Fund's Investment Manager is Macquarie Investment Management Austria Kapitalanlage AG.

The Investment Manager holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).



The Investment Manager is part of the Macquarie Group. The Investment Manager was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. The Investment Manager is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of the Investment Manager is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

The Investment Manager has delegated the management of the Portfolio of the Sub-Fund to a Sub-Investment Manager: Cheyne Capital Management (UK) LLP. The Sub-Investment Manager has the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

Cheyne Capital Management (UK) LLP is incorporated under the laws of England and Wales (Company No. OC321484) and was originally established as a limited company which commenced business in June 2000. Cheyne Capital Management (UK) LLP is authorised and regulated by the Financial Conduct Authority (FCA No. 456864) and holds permission for managing investments.

The registered office of Cheyne Capital Management (UK) LLP is at:  
Stornoway House,  
13, Cleveland Row,  
London, SW1A 1DH,  
United Kingdom

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of global convertible bonds.

The Sub-Fund will invest, directly or indirectly, in eligible equities, debt securities, convertible securities and similar credit based securities issued by corporate bodies, governments or other governmental entities on a global basis with a focus on developed markets issuers.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager or the Sub-Investment Managers. In addition, foreign exchange derivatives including, but not limited to, forwards and futures are also used primarily to hedge foreign currency securities.

In principle, the Sub-Fund will be managed as fully hedged against foreign currency exposure, but the Investment Manager and the Sub-Investment Managers will have some discretion in managing FX risk and may from time to time trade FX in order to add value to the Sub-Fund. However, FX trading will not be a primary source of alpha.

Financial derivative instruments including, but not limited to, futures are used to either gain exposure or partially hedge exposure to specific assets such as, but not limited to, equity indices and parts of the maturity spectrum of certain bond markets.

**Transferable securities or money-market instruments issued or guaranteed by any of the following States, i.e. Australia, Belgium, Brazil, Chile, Denmark, Germany, Estonia, Finland, France, Greece, India, Ireland, Iceland, Israel, Italy, Japan, Canada,**

**Liechtenstein, Luxembourg, Mexico, New Zealand, the Netherlands, Norway, Austria, Poland, Portugal, Russia, Sweden, Switzerland, the Slovak Republic, Slovenia, Spain, South Africa, South Korea, the Czech Republic, Turkey, Hungary, the United Kingdom and the United States, may represent more than 35% of the Sub-Fund's assets provided investments are made in at least six different issues of the same issuer and, securities from any single issue may not exceed 30% of the Sub-Fund's total assets.**

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

The Sub-Fund uses as benchmark and reference portfolio the Thomson Reuters Global Focus EUR Hedged Index. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Convertible Bonds and Hybrid Security Risk
- Risk relating to Emerging or Frontier Markets
- Leverage Risk
- Currency Risk

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is EUR.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	2.05%	100	100	100
B	1.05%	100	100	100
I	1.05%	1,000,000	500,000	50,000
A2	1.45%	100	100	100
I2	1.05%	1,000,000	500,000	50,000
SI	0.65%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with convertible bond investments, who wish to benefit from an investment with exposure to global convertible bonds and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**IX. MACQUARIE FUND SOLUTIONS – MACQUARIE EMERGING MARKET CONVERTIBLE FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with a return that captures the potential growth and income of convertible bonds issued in the emerging markets.

**2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by primarily investing in convertible bonds issued by corporate bodies, governments and other governmental entities in emerging markets or by corporate bodies which are expected to derive a significant portion of their revenues from one or more emerging markets. To a lesser extent the Sub-Fund may also invest in equities, bonds, cash, listed futures and eligible exchange traded funds ("ETFs") to enhance liquidity.

The Sub-Fund aims to achieve the investment objective by mobilising three skill sets to select and weight convertible bonds within the portfolio and generate returns:

- i. **Sector and country rotation:** Opportunistic approach to investing in convertible bonds issued in the emerging markets that provide the targeted risk/return profile depending on market conditions.
- ii. **Security selection:** Identification of eligible securities based on detailed credit analysis. This analysis also focuses on the issuer's strength to further increase the equity price and as a consequence the equity part of the convertible bond.
- iii. **Option valuation:** The aim is to utilise opportunities of possible mispricing regarding the option part of the convertible bond and as a result enhance the risk/return profile.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day

**4. Investment Manager and Sub-Investment Manager**

The Sub-Fund's Investment Manager is Macquarie Investment Management Austria Kapitalanlage AG.

The Investment Manager holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

The Investment Manager is part of the Macquarie Group. The Investment Manager was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. The Investment Manager is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of the Investment Manager is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

The Investment Manager has delegated the management of part of the Portfolio of the Sub-Fund to one Sub-Investment Manager: Cheyne Capital Management (UK) LLP. The Sub-Investment Manager has the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

Cheyne Capital Management (UK) LLP is incorporated under the laws of England and Wales (Company No. OC321484) and was originally established as a limited company which commenced business in June 2000. Cheyne Capital Management (UK) LLP is authorised and regulated by the Financial Conduct Authority (FCA No. 456864) and holds permission for managing investments.

The registered office of Cheyne Capital Management (UK) LLP is at:  
Stornoway House,  
13, Cleveland Row,  
London, SW1A 1DH,  
United Kingdom

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of convertible bonds issued in emerging markets.

The Sub-Fund will invest, directly or indirectly, in eligible equities, debt securities, convertible securities and similar credit based securities issued by corporate bodies, governments or other governmental entities in emerging markets or by corporate bodies which are expected to derive a significant portion of their revenues from one or more emerging markets.

Fixed and floating rate debt securities, convertible securities, money market instruments and cash may be held without limit where this is considered appropriate by the Investment Manager or the Sub-Investment Manager. In addition, foreign exchange derivatives including, but not limited to, forwards and futures are also used primarily to hedge foreign currency securities.

In principle, the Sub-Fund will be managed as fully hedged against foreign currency exposure, but the Investment Manager and the Sub-Investment Manager will have some discretion in managing FX risk and may from time to time trade FX in order to add value to the Sub-Fund. However, FX trading will not be a primary source of alpha.

Financial derivative instruments including, but not limited to, futures are used to either gain exposure or partially hedge exposure to specific assets such as, but not limited to, equity indices and parts of the maturity spectrum of certain bond markets.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Convertible Bonds and Hybrid Security Risk
- Risk relating to Emerging or Frontier Markets
- Leverage Risk
- Currency Risk

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is EUR.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	2.55%	100	100	100
<b>B</b>	1.30%	100	100	100
<b>I</b>	1.30%	1,000,000	500,000	50,000
<b>A2</b>	1.75%	100	100	100
<b>I2</b>	1.30%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with convertible bond investments, who wish to benefit from an investment with exposure to convertible bonds in emerging markets and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**X. MACQUARIE FUND SOLUTIONS – MACQUARIE US SMALLER COMPANIES FUND**

**(the "Sub-Fund")**

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with long-term capital appreciation by investing in US small- to mid-capitalisation securities.

**2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed equity securities of US companies with a small or medium market capitalisation.

The Investment Manager employs bottom-up (stock-by-stock) security selection utilising quantitative screens, fundamental research, and risk control to evaluate stocks based on both growth and value characteristics. The Investment Manager strives to identify stocks that it believes offer above-average opportunities for long-term price appreciation based on: (1) attractive valuations, (2) growth prospects, and (3) strong cash flow.

The Investment Manager typically uses a quantitative screen that ranks the attractiveness of an investment based on a combination of valuation measures, earnings expectations, cash flow, and balance-sheet quality. In further evaluating the attractiveness of an investment, the Investment Manager considers factors such as business conditions in the targeted company's industry and its competitive position in that industry. The Investment Manager conducts fundamental research which often includes reviewing US Securities and Exchange Commission ("SEC") filings, examining financial statements, and meeting with top-level company executives.

When implementing the Sub-Fund's investment strategy and policy, the Investment Manager applies controls to ensure the Sub-Fund has acceptable risk characteristics. These characteristics include, but are not limited to, size, valuation, growth, yield, and earnings consistency. This risk profile is then compared to the benchmark index.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 06.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day



#### **4. Investment Manager**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and is registered as an Investment Adviser with the SEC under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

#### **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will aim to meet the investment objective by primarily investing in the listed equity securities of US companies with a small or medium market capitalisation.

In addition to listed equity securities, equity exposure may be achieved through investment in initial public offerings and depository receipts of companies located worldwide, including in emerging markets for up to 10% of the Sub-Fund's assets. Such securities may be traded on a stock exchange outside the United States, or they may be in the form of ADRs. Determinations to purchase depository receipts will be based on relevant factor(s) in the Investment Managers' sole discretion. Investments in non-US securities include investments in ADRs, which are receipts issued by a depository (usually a US bank) and represent the bank's holdings of a stated number of shares of a non-US corporation. Generally, an ADR entitles the holder to all payments of interest, dividends, and capital gains earned by the underlying non-US shares. ADRs are generally denominated in US dollars and are bought and sold on a US stock exchange in the same manner as US securities.

For cash management purposes or to enhance liquidity, the Sub-Fund may also invest in bonds, cash, and for up to 10% of its assets in eligible exchange traded funds ("ETFs"). In response to unfavourable market conditions, the Sub-Fund may make temporary investments in cash or cash equivalents or other high quality short-term instruments.

The Sub-Fund uses as benchmark and reference portfolio the Russell 2500 Index TR USD. The benchmark is a performance reference and the Sub-Fund's underlying portfolio may differ significantly to the benchmark composition.

#### **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

#### **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, US small or mid companies in terms of market capitalisation.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Small- and Mid-Cap Companies Risk
- Volatility Risk
- Performance Risk
- Investment Fund Risk
- Liquidity Risk
- Real Estate Industry Risk
- Risk relating to Emerging or Frontier Markets
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.70%	100	100	100
<b>I</b>	0.90%	1,000,000	500,000	50,000
<b>A2</b>	1.10%	100	100	100
<b>I2</b>	0.90%	1,000,000	500,000	50,000
<b>IF</b>	0.70%	1,000,000	500,000	50,000
<b>SI</b>	0.75%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## **11. Profile of the Typical Investor**

The Sub-Fund is designed for Investors who wish to benefit from an investment into US small-to mid-capitalisation equity markets and who understand the Sub-Fund's risks. This Sub-Fund may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses.

**XI. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL MULTI  
ASSET INCOME FUND**

***(the "Sub-Fund")***

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders of each Class of Shares with current income and an investment that has the potential for long-term capital appreciation.

**2. Investment Strategy**

The Sub-Fund will aim to meet the investment objective by investing primarily in income generating securities globally across multiple asset classes.

The Investment Manager will determine the proportion of the Sub-Fund's assets that will be allocated to income-generating equity securities and equity equivalents and to debt securities, based on its analysis of economic and market conditions and its assessment of the income and potential for appreciation that can be achieved from investments in such asset classes. It is expected that the proportion of the Sub-Fund's total assets invested in income-generating equity securities and equity equivalent securities will vary from 30% to 100% of the Sub-Fund's total assets. The proportion of the Sub-Fund's total assets in debt securities will correspondingly vary from 0% to 70% of the Sub-Fund's total assets.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 06.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-

Fund to Macquarie Investment Management Global Limited ("MIMGL"), Macquarie Funds Management Hong Kong Limited ("MFMHK"), Macquarie Investment Management Europe Limited ("MIMEL"), Macquarie Investment Management Europe S.A. ("MIME"), and Macquarie Investment Management Austria Kapitalanlage AG ("MIMAK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MFMHK is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of MFMHK is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

MIMEL is incorporated under the laws of England and Wales (Company No. 09612439, Firm Reference No. 733534) and was established on 28 May 2015. MIMEL is regulated by the Financial Conduct Authority and holds permission for managing investments.

MIMEL was established in May 2015 to conduct the distribution and portfolio management activities for Macquarie Investment Management, which is the securities investment management division of the Macquarie Group and offers a full range of asset classes.

The registered office of MIMEL is at:  
Ropemaker Place,  
28 Ropemaker Street,  
London, EC2Y 9HD,  
United Kingdom

MIME is a company incorporated in the form of a *société anonyme* under the laws of the Grand Duchy of Luxembourg. It is an investment firm subject to the supervision of the CSSF.

The registered office of MIME is at:  
36, rue Marie-Adélaïde  
L-2128 Luxembourg  
Grand Duchy of Luxembourg

MIMAK holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

MIMAK was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. It is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of MIMAK is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund invests primarily in security types with hybrid characteristics of both income generation and capital appreciation. Among equity equivalent securities, the universe may include dividend paying stocks, closed-ended REITs, preferred securities, master limited partnerships ("MLPs"), initial public offerings and securities of infrastructure companies and other eligible assets (which may include eligible unlisted securities). Among fixed income securities, the investable universe may include investment grade and high yield bonds, convertible securities, government securities, asset backed securities ("ABS"), residential mortgage backed securities ("RMBS") and emerging markets debt. Investment in ABS or RMBS shall not exceed 10% of the Sub-Fund's total assets. The Sub-Fund may also utilise derivative instruments often in conjunction with existing positions such as, but not limited to, call option writing on existing equity positions, credit default swaps, currency futures.

Under normal circumstances, at least 30% of the Sub-Fund's total assets will be invested in income-generating equity securities. In making investments in income-generating equity securities, the Sub-Fund may invest up to 25% of its total assets in convertible securities without regard to credit quality. Debt securities may comprise up to 70% of the Sub-Fund's total assets.

The Sub-Fund may invest up to 45% of its net assets in high yield bonds. The Sub-Fund will not invest in securities in "default" or which are "distressed" at the time of their purchase.

No more than 25% of the Sub-Fund's total assets will be invested in any one industry sector nor, as to 75% of the Sub-Fund's total assets, will more than 5% be invested in securities of any one issuer. The Sub-Fund will not invest more than 15% of its total assets in securities of issuers principally located or principally operating in markets of emerging countries.

The Sub-Fund may use financial derivative instruments, including, but not limited to, options, futures contracts, options on futures contracts, and credit default swaps. The Sub-Fund may use financial derivative instruments for both hedging purposes and efficient portfolio management.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. The Board of Directors may also declare interim dividends which will usually be declared monthly as indicated in the Prospectus section 7.7. entitled "Dividend Policy".

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations".

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Structured Security Risk
- Leverage Risk
- Currency Risk
- Unlisted Risk
- Hedging Risk
- Bank Loans Risk
- Risks relating to the Infrastructure Sector
- Volatility Risk
- Investment Fund Risk
- Convertible Bonds and Hybrid Security Risk
- Real Estate Industry Risk
- Risk relating to Emerging or Frontier Markets
- Investments in REITs
- Investments in Master Limited Partnership ("MLP") Units
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.65%	100	100	100
<b>I</b>	0.85%	1,000,000	500,000	50,000
<b>A2</b>	1.10%	100	100	100
<b>I2</b>	0.85%	1,000,000	500,000	50,000
<b>IF</b>	0.70%	1,000,000	500,000	50,000
<b>SI</b>	0.75%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with multi-assets investments including, but not limited to, investments in global bond, equity and real estate securities, who wish to benefit from an exposure to a global multi-asset investment and are familiar with the opportunities and risks specific to this strategy. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.



**XII. MACQUARIE FUND SOLUTIONS – MACQUARIE ABSOLUTE RETURN  
MBS FUND**

**(the "Sub-Fund")**

**1. Investment Objective**

The Sub-Fund seeks to provide an absolute return outcome by investing primarily in US government-backed fixed income securities, with a focus on agency mortgage-backed securities ("MBS"), a sector that historically has delivered consistent risk-adjusted returns and favourable liquidity.

**2. Investment Strategy**

The Sub-Fund will seek to achieve its investment objective by investing primarily in US agency mortgage-related securities, which pay principal and interest from the relevant pool of underlying residential mortgage-backed securities ("MBS") and financial derivatives. These securities are issued by US federal agencies, such as the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), commonly known referred to as Ginnie Mae, Fannie Mae, and Freddie Mac ("Agency MBS").

The Investment Manager will use top down and bottom up investment processes. The top down process seeks to identify macro trends that could affect credit quality, volatility, spreads, and interest rates, while the complementary bottom up process focuses on identifying attractive securities within the MBS and other fixed income sectors as needed.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 06.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,

Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Austria Kapitalanlage AG ("MIMAK"), Macquarie Investment Management Global Limited ("MIMGL"), and Macquarie Investment Management Europe Limited ("MIMEL") (collectively, the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMAK holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

MIMAK was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. MIMAK is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of MIMAK is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MIMEL is incorporated under the laws of England and Wales (Company No. 09612439, Firm Reference No. 733534) and was established on 28 May 2015. MIMEL is regulated by the Financial Conduct Authority and holds permission for managing investments.

MIMEL was established in May 2015 to conduct the distribution and portfolio management activities for Macquarie Investment Management, which is the securities investment management division of the Macquarie Group and offers a full range of asset classes.

The registered office of MIMEL is at:  
Ropemaker Place,  
28 Ropemaker Street,  
London, EC2Y 9HD,  
United Kingdom

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund will aim to meet the investment objective by investing most of its net assets in US government-backed fixed income securities, with a focus on US agency mortgage-backed securities (Agency MBS).

To a lesser extent, the Sub-Fund will make investments in other types of eligible interest rate securities and instruments when the Investment Manager expects returns from those securities to contribute to meeting the investment objective of the Sub-Fund. These other types of securities include, but are not limited to, US government and agency securities and US treasury securities.

The Sub-Fund may use financial derivative instruments, including, but not limited to, options, futures contracts, forwards (including Agency to-be-announced securities ("TBAs") and Treasury futures) interest rate swaps, (unfunded) total return swaps, credit default swaps and other eligible types of swaps and other financial derivatives. The Sub-Fund may invest up to 100% of the total portfolio in financial derivative instruments (including Agency TBAs and Treasury futures) in order to gain indirect exposure to MBS. The use of financial derivative instruments, especially of TBAs, may give rise to leverage. However, leverage due to TBAs will normally be limited to 25%, so that the notional exposure to MBS, through direct investments in MBS and indirect investments through TBAs, will normally not exceed 125% of the Sub-Fund's total assets.

The expected proportion of the net assets of the Sub-Fund that could be subject to total return swaps is 2%, subject to a maximum of 15%. The indices linked to the total return swaps will be related to instruments eligible for the Sub-Fund, which are primarily fixed income indices such as but not limited to iBoxx indices - iBoxx \$ HY (BBG Ticker IBOXHY) or iBoxx \$ IG (BBG Ticker IBOXIG).

The Sub-Fund may use financial derivative instruments (including Treasury futures) for both hedging purposes and efficient portfolio management. The percentage of investment in financial derivatives will change over time based on the Investment Manager's view on market conditions, opportunities and portfolio construction.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. The Board of Directors may also declare interim dividends which will usually be declared semi-annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy".

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, US government-backed fixed income securities. In making an

investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in US government-backed fixed income securities.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- General Risk in relation to Investments in MBS
- Collateralised Mortgage Obligations
- Interest Rate Risk
- Systemic Risk
- Concentration Risk
- Investments in ARMS, MBS and SMRS
- Hedging Risk
- Synthetic Short Selling Risk
- TBA Risk

## 8. Method for measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is USD.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	0.80%	100	100	100
I	0.40%	1,000,000	500,000	50,000
A2	0.45%	100	100	100
I2	0.40%	1,000,000	500,000	50,000
IF	0.30%	1,000,000	500,000	50,000
SI	0.30%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

#### **11. Profile of the Typical Investor**

The Sub-Fund is suitable for investors who have experience with US agency mortgage-related investments, who wish to benefit from an investment with exposure to US government-backed fixed income securities and are familiar with the opportunities and risks specific to this market sector. Investors must expect fluctuations in the value of investments, which may temporarily even lead to very substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

<b>XIII. MACQUARIE FUND SOLUTIONS – MACQUARIE GLOBAL VALUE FUND</b>
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*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders with a long-term capital appreciation by investing in securities of worldwide issuers with a focus on developed countries.

**2. Investment Strategy**

The Sub-Fund aims to meet the investment objective by investing in ordinary shares or common stock, ADRs, EDRs, GDRs, preferred stocks, and warrants (provided that investments in warrants shall not comprise more than 5% of the net asset value of the Sub-Fund). The Sub-Fund may also invest indirectly in such securities for investment purposes through the use of any combination of the financial derivative instruments (such as, but not limited to, options and futures).

The Sub-Fund may also, on an ancillary basis, invest in convertible securities and convertible preferred stocks.

The Sub-Fund may invest in companies across all market capitalisations, although the Sub-Fund will typically invest in mid- and large-cap equity securities. The Sub-Fund may invest in securities issued in any currency.

In selecting investments for the Sub-Fund:

- The Investment Manager searches for undervalued companies that have potential for improvement that is not yet recognised by others in the marketplace. These opportunities may exist because of temporary company-specific problems, or because the companies are in industries that may be out of favour.
- The Investment Manager believes that the potential for exceptional returns can be realised by assembling a global portfolio of fundamentally strong companies that have superior business prospects and that are priced below the Investment Manager's estimate of intrinsic value.
- Fundamental research and analysis are the driving forces behind each security chosen by the Investment Manager. Security selection is based on relative value comparisons, applying the Investment Manager's understanding of industry cycles, global competitors, and company-specific variables. The investment process combines quantitative valuation screens with traditional in-depth fundamental analysis, experienced judgment, and patience.
- The Investment Manager places great emphasis on those securities it believes can offer the best long-term appreciation within a three- to five-year horizon. The Investment Manager constructs a portfolio on a stock-by-stock basis, and the holdings are diversified across market capitalisation, geography, and economic sectors.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

### 3. Dealing Information

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

### 4. Investment Manager and Sub-Investment Managers

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL") and Macquarie Funds Management Hong Kong Limited ("MFMHK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MFMHK is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of MFMHK is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

Under normal circumstances, the Sub-Fund will invest at least 65% of its net asset in equity securities of issuers located throughout the world, including the US. The Sub-Fund will invest at least 40% of its net asset in non-US securities. More than 25% of the Sub-Fund's net asset may be invested in the securities of issuers located in the same country; however, the Sub-Fund will limit investment securities issued by issuers in emerging market countries to 25% of the Sub-Fund's net asset.

For the purpose of gaining exposure to shares listed on PRC Stock Exchanges, the Sub-Fund may invest up to 10% of its net assets in China A-Shares through the Stock Connect.

The Sub-Fund may invest up to 10% of its net asset in REITs. The Sub-Fund may also invest up to 10% of its net asset in UCITS and other UCIs. The Sub-Fund may invest in initial public offerings. Although not a principal strategy for the Sub-Fund, under certain circumstances, the Sub-Fund may invest up to 35% of its net asset in US and non-US fixed income securities, including those issued by companies in emerging market countries and non-US governments or their agencies.

The Sub-Fund may invest in financial derivative instruments for currency hedging purposes and for efficient portfolio management.

The Sub-Fund may be leveraged up to 30% of its net asset as a result of its use of derivative instruments.

On an ancillary basis and although not a principal of the investment strategy, the Sub-Fund may invest assets in debt securities with maturities of less than one year, money market instruments, cash equivalents (such as government securities, discount notes, certificates of deposit, banker's acceptances, commercial paper, and treasury bills of investment grade and which are traded on Regulated Markets worldwide) or may hold cash. The percentage of the Sub-Fund invested in such holdings will vary and depend on several factors, including market conditions. For temporary defensive purposes, including during periods of high cash inflows, the Sub-Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. During such periods, the Sub-Fund may not achieve its investment objectives.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.



## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in the infrastructure sector. In particular, as the Sub-Fund may invest in shares listed on PRC Stock Exchanges through the Stock Connect, investors should take note of the description of the specific risks in relation thereto in sub-section 10.3 "The Stock Connect Risks".

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Performance Risk
- Country Risk
- Risk relating to Emerging or Frontier Markets
- Political Risk
- Small- and Mid-Cap Companies Risk
- Investments in REITs
- Currency Risk
- Volatility Risk
- Liquidity Risk
- Income Securities Risk
- Interest Rate Risk
- Leverage Risk
- Default Risk
- Credit Risk
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

<b>Class</b>	<b>Maximum Management Fee (Management Company and Investment Manager, when combined)</b>	<b>Minimum Initial Subscription Amount*</b>	<b>Minimum Holding Amount*</b>	<b>Minimum Additional Subscription Amount / Minimum Redemption Amount*</b>
<b>A</b>	1.45%	100	100	100
<b>A2</b>	0.95%	100	100	100
<b>I</b>	0.70%	1,000,000	500,000	50,000
<b>I2</b>	0.70%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## **11. Profile of the Typical Investor**

The Sub-Fund is suitable for investors who are seeking long-term capital appreciation, who wish to benefit from an investment with exposure to global equity, have a long-term investment horizon, are willing to accept a moderate level of volatility and are willing to invest through a complete market cycle. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**XIV. MACQUARIE FUND SOLUTIONS – MACQUARIE EMERGING  
MARKETS FUND**

**(the "Sub-Fund")**

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders with a long-term capital appreciation by investing in securities in emerging markets.

**2. Investment Strategy**

The Sub-Fund aims to meet the investment objective by primarily investing in a carefully selected and diverse range of transferable securities of issuers located in emerging markets.

The Investment Manager believes that although market price and intrinsic business value are positively correlated in the long run, short-term divergences can emerge. The Sub-Fund seeks to take advantage of these divergences through a fundamental, bottom-up approach. The Sub-Fund invests in securities of companies with sustainable franchises when they are trading at a discount to the Investment Manager's intrinsic value estimate for that security.

The Sub-Fund defines sustainable franchises as those companies with potential to earn excess returns above their cost of capital over the long-term. Sustainability analysis involves identification of a company's source of competitive advantage and the ability of its management to maximise its return potential. The Investment Manager prefers companies with large market opportunities in which to deploy capital, providing opportunities to grow faster than the overall economy.

Intrinsic value assessment is quantitatively determined through a variety of valuation methods including (i) discounted cash flow (i.e. a valuation method used based on estimating the future free cash flow of a company and discounting them to arrive at a present value), (ii) replacement cost (i.e. a valuation method which assesses the amount an entity would have to pay to replace an asset), (iii) private market transaction (i.e. a valuation technique that attempts to value a company through what it, or a part of it, would be worth through the private market) and (iv) multiples analysis (i.e. a valuation technique that compares varying financial metrics, such as price-to-earnings, across different companies).

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	<p>Means any Business Day; however, this Sub-Fund may also be closed on other days when markets or exchanges on which a substantial portion of the Sub-Fund's investments is traded are closed.</p> <p>A list of expected non-Dealing Days for this Sub-Fund is available at the registered office of the Company upon request and on</p>

	<a href="http://www.mim-emea.com/sicav">http://www.mim-emea.com/sicav</a> .
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

#### **4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL") and Macquarie Funds Management Hong Kong Limited ("MFMHK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.

The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MFMHK is incorporated in Hong Kong and was established on 21 July 2000. It is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Hong Kong Securities and Futures Ordinance, subject to the licensing condition that it may not hold client assets.

The registered office of MFMHK is at:  
Level 18, One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

## **5. Description of the Sub-Fund's Portfolio**

Under normal circumstances, at least 80% of the Sub-Fund's net asset will be in investments of issuers of emerging market countries. The Sub-Fund invests primarily in a broad range of equity securities of companies located in emerging market countries. The Sub-Fund may also invest in frontier markets. The Sub-Fund may invest in companies of any size and may invest more than 25% of its net assets in the securities of issuers located in the same country.

Although the Sub-Fund invests primarily in companies from emerging market countries, the Sub-Fund will also invest in companies that are not in emerging market countries: (1) if the Investment Manager believes that the performance of a company or its industry will be influenced by opportunities in emerging market countries; (2) to maintain exposure to industry segments where the Investment Manager believes there are not satisfactory investment opportunities in emerging market countries; and (3) if the Investment Manager believes there is the potential for significant benefit to the Sub-Fund.

The Sub-Fund may invest in ordinary shares or common stock, ADRs, EDRs, GDRs, preferred stocks, convertible securities, convertible preferred stocks, participation notes, initial public offerings and warrants of issuers of emerging markets. Investments in warrants shall not comprise more than 5% of the net assets of the Sub-Fund.

The Sub-Fund may also invest indirectly in such securities for investment purposes through the use of any combination of the financial derivative instruments such as options, futures, and forward currency exchange contracts. The Sub-Fund may be leveraged up to 30% of its net assets as a result of its use of such derivative instruments.

For the purpose of gaining exposure to shares listed on PRC Stock Exchanges, the Sub-Fund may invest up to 20% of its net assets in China A-Shares through the Stock Connect.

The Sub-Fund may invest up to 10% of its net assets in REITs. The Sub-Fund may also invest up to 10% of its net assets in UCITS or other UCIs.

The Sub-Fund may invest up to 35% of its net assets in fixed income securities issued by companies in emerging market countries or by foreign governments, their agents, instrumentalities, or political sub-divisions; the Sub-Fund, however, does not anticipate investing, on a regular basis, more than 10% of its net assets in such fixed income securities. The Sub-Fund may invest in fixed income securities that are denominated in the currencies of emerging market countries, including high yield, high-risk fixed income securities for up to 5% of its net assets.

Financial derivative instruments including, but not limited to, futures are used to either gain exposure or partially hedge exposure to specific assets such as, but not limited to, equity indices and parts of the maturity spectrum of certain bond markets.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The

Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets. In particular, as the Sub-Fund may invest in shares listed on PRC Stock Exchanges through the Stock Connect, investors should take note of the description of the specific risks in relation thereto in sub-section 10.3 "The Stock Connect Risks".

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Risks relating to Emerging or Frontier Markets
- Small- and Mid-Cap Companies Risk
- Country Risk
- Volatility Risk
- Performance Risk
- Investment Fund Risk
- Real Estate Risk
- Investments in REITs
- Leverage Risk
- Currency Risk
- Income Securities Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Convertible Bonds and Hybrid Security Risk
- Initial Public Offerings

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.70%	100	100	100
<b>A2</b>	1.10%	100	100	100
<b>I</b>	0.95%	1,000,000	500,000	50,000
<b>I2</b>	0.95%	1,000,000	500,000	50,000
<b>SI</b>	0.85%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to benefit from an investment with exposure to emerging markets and who are familiar with the opportunities and risks specific to this market sector, who are seeking long-term capital appreciation, have a long-term investment horizon, are willing to accept a high level of volatility and are willing to invest through a complete market cycle. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**XV. MACQUARIE FUND SOLUTIONS – MACQUARIE CORPORATE BOND FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders with a total return comprising both income and capital appreciation by investing globally in fixed- and floating-rate investment grade corporate bonds.

**2. Investment Strategy**

The Sub-Fund aims to meet the investment objective by investing primarily in fixed- and floating-rate investment grade corporate bonds listed or traded on Regulated Markets worldwide on a global basis.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager and Sub-Investment Managers**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia,  
PA 19103,  
United States of America

The Investment Manager has delegated the management of some of the assets of the Sub-Fund to Macquarie Investment Management Global Limited ("MIMGL"), Macquarie Investment Management Europe Limited ("MIMEL") and Macquarie Investment Management Austria Kapitalanlage AG ("MIMAK") (the "Sub-Investment Managers"). The Sub-Investment Managers have the ability to make discretionary trading decisions in the Sub-Fund based around parameters defined by the Investment Manager.



The Sub-Investment Managers are affiliates of the Investment Manager and are also part of the Macquarie Group.

MIMGL is incorporated under the laws of Australia (Company No. 086 159 060) and was established on 16 February 2011. MIMGL is regulated by the Australian Securities and Investments Commission and holds permission for managing investments.

The registered office of MIMGL is at:  
50 Martin Place,  
Sydney,  
NSW 2000,  
Australia

MIMEL is incorporated under the laws of England and Wales (Company No. 09612439, Firm Reference No. 733534) and was established on 28 May 2015. MIMEL is regulated by the Financial Conduct Authority and holds permission for managing investments.

MIMEL was established in May 2015 to conduct the distribution and portfolio management activities for Macquarie Investment Management, which is the securities investment management division of the Macquarie Group and offers a full range of asset classes.

The registered office of MIMEL is at:  
Ropemaker Place,  
28 Ropemaker Street,  
London, EC2Y 9HD,  
United Kingdom

MIMAK holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

MIMAK was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. It is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of MIMAK is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to invest primarily in fixed- and floating-rate investment grade corporate bonds that are listed or traded on Regulated Markets worldwide. The Sub-Fund may also invest up to 20% of its net assets in fixed- and floating-rate high yield corporate bonds ("junk bonds"), which are generally rated below investment grade, provided however that the high yield corporate bonds in which the Sub-Fund shall invest shall, in any event, be rated no lower than B3 by Moody's Investors Service ("Moody's"), B- by Standard & Poor's Financial Services LLC ("S&P"), or B- by Fitch Ratings Inc. ("Fitch") (or, if unrated, determined by the Investment Manager to be of comparable quality). If at any time securities are downgraded below B- (S&P and Fitch, respectively) or B3 (Moody's), they shall be sold as soon as possible taking into account the interests of Shareholders. However, should the downgraded securities represent

less than 3% of the net assets of the Sub-Fund, then these securities shall be sold within six months, unless upgraded during this period.

Investments in CoCo Bonds will not exceed 10% of the Sub-Fund's net assets.

The Sub-Fund may invest up to 35% of its net assets in non-US securities. No more than 15% of the net assets of the Sub-Fund shall be invested in securities of issuers in emerging market countries.

The Sub-Fund may, on an ancillary basis, purchase participations in or assignments of floating-rate mortgages or other securitised and unsecuritised commercial loans that are liquid and qualify as money market instruments in accordance with the Law of 2010 and related regulations (it being understood that no more than 10% of the net assets of the Sub-Fund can be invested in such participations or in assignments of such loans). These loans provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. These participations may be interests in, or assignments of, the loan and may be acquired from banks or brokers that have made the loan or members of the lending syndicate. Any loans purchased by the Sub-Fund will be rated investment grade at the time of purchase or, if unrated, determined by the Investment Manager to be of comparable quality.

The average portfolio duration of the Sub-Fund will generally vary within two years (plus or minus) of the current average duration of the Barclays U.S. Corporate Investment Grade Index. Duration measures a bond's sensitivity to interest rates by indicating the approximate change in a bond or bond fund's price given a 1% change in interest rates.

The Sub-Fund may also invest up to 10% of its Net Asset Value in UCITS and other UCIs for the purposes of maintaining liquidity or gaining indirect exposure to the assets referred to above.

The Sub-Fund may invest in financial derivative instruments (such as futures, options, (unfunded) total return swaps, index swaps, interest rate swaps and credit default swaps) for currency, duration, and/or credit hedging purposes and for efficient portfolio management. The indices linked to the total return swaps will be related to instruments eligible for the Sub-Fund, which are primarily fixed income indices such as but not limited to iBoxx indices - iBoxx \$ HY (BBG Ticker IBOXHY) or iBoxx \$ IG (BBG Ticker IBOXIG). Information in relation to these indices may be obtained from the Markit website ([www.markit.com](http://www.markit.com)). The constituents of such indices are generally rebalanced once a month at month-end. Direct costs of total return swaps are embedded in the bid-ask spreads of total return swaps pricing.

The expected proportion of the net assets of the Sub-Fund that could be subject to total return swaps is 2%, subject to a maximum of 15%.

The Sub-Fund may be leveraged up to 30% of its Net Asset Value as a result of its use of derivative instruments.

On an ancillary basis, the Sub-Fund may invest assets in debt securities with maturities of less than one year, money market instruments, cash equivalents (such as government securities, discount notes, certificates of deposit, banker's acceptances, commercial paper, and treasury bills of investment grade and which are traded on Regulated Markets worldwide) or may hold cash. The percentage of the Sub-Fund invested in such holdings will vary and depend on several factors, including market conditions. For temporary defensive purposes, including during periods of high cash inflows, the Sub-Fund may depart from its principal investment strategies

and invest part or all of its assets in these securities or may hold cash. During such periods, the Sub-Fund may not achieve its investment objectives.

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in the infrastructure sector.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Income Securities Risk
- High Yield (Junk Bond) Risk
- Default Risk
- Credit Risk
- Liquidity Risk
- Bank Loans Risk
- Interest Rate Risk
- Country Risk
- Emerging Market Risk
- Leverage Risk
- Currency Risk
- Convertible Contingent Bonds Risk

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is USD.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	0.80%	100	100	100
<b>A2</b>	0.45%	100	100	100
<b>I</b>	0.40%	1,000,000	500,000	50,000
<b>I2</b>	0.40%	1,000,000	500,000	50,000
<b>SI</b>	0.30%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who are seeking long-term total return through a combination of income and capital appreciation, who wish to benefit from an investment with exposure to fixed income securities, have a long-term investment horizon, are willing to accept a moderate level of volatility, and are willing to invest through a complete market cycle. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**XVI. MACQUARIE FUND SOLUTIONS – MACQUARIE US LARGE CAP  
GROWTH FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders with long-term capital appreciation by investing in equity and equity related securities of US issuers (mainly large caps).

**2. Investment Strategy**

The Sub-Fund aims to meet the investment objective by investing primarily in equity and equity related securities of issuers in the US that the Investment Manager believes have long-term capital appreciation potential and are expected to grow faster than the US economy. Such securities shall be mainly listed or traded in the US. The Sub-Fund may, however, invest up to 20% of its net assets in securities which are not listed or traded in the US.

The Sub-Fund intends to invest in companies which exhibit potential for sustained above average growth and profitability. Companies with this potential tend to have dominant and transparent business models, strong free cash-flow generation, and attractive end-markets. The Investment Manager's investment process utilises fundamental and quantitative research in order to identify companies with the above mentioned characteristics.

Stocks will be primarily selected according to the characteristics mentioned above, with respective portfolio weightings determined by investment conviction and contribution to portfolio risk. Stocks will be sold out of the portfolio or their position sizes reduced based on change to the fundamental thesis, better relative investment opportunities and/or to reduce overall portfolio tracking error (i.e. the difference between the performance of the Sub-Fund and that of any index used for comparison purposes only).

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with

the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund generally holds a portfolio of 20 to 100 securities, although from time to time, the Sub-Fund may hold fewer or more securities depending on the Investment Manager's assessment of the investment opportunities available. The Investment Manager maintains a diversified portfolio for the Sub-Fund representing a number of different industries. Such an approach helps to minimise the impact that any one security or industry could have on the Sub-Fund if it were to experience a period of slow or declining growth.

The Sub-Fund may also invest indirectly in such securities for investment purposes through the use of financial derivative instruments, such as options and futures. The Sub-Fund may be leveraged up to 30% of its net assets as a result of its use of such derivative instruments.

The Sub-Fund may invest up to 10% of its net assets in REITs. The Sub-Fund may also invest up to 10% of its net assets in UCITS or other UCIs. The Sub-Fund may invest in initial public offerings.

Although not a principal strategy for the Sub-Fund, under certain limited circumstances, the Sub-Fund may also invest up to 20% of its net assets in debt securities and bonds. Such bonds and debt securities may be rated Investment Grade or below, issued by corporates, governments or public international bodies, and may be denominated in a variety of currencies and issued with either fixed or floating rates. In addition, although not a principal strategy for the Sub-Fund, under certain limited circumstances, the Sub-Fund may invest in convertible bonds, preferred stocks, and convertible preferred securities, provided that these investments, when aggregated with the Sub-Fund's debt securities and bonds, do not exceed 35% of the Sub-Fund's net assets.

All the above investments will be made in accordance with the limits set out in section 6.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, US small or mid companies in terms of market capitalisation.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Country Risk
- Volatility Risk
- Performance Risk
- Investment Fund Risk
- Liquidity Risk
- Leverage Risk
- Investments In REITs
- Initial Public Offerings

## 8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is USD.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	1.35%	100	100	100
A2	0.88%	100	100	100
I	0.60%	1,000,000	500,000	50,000
I2	0.60%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with equity investments, who wish to benefit from an investment with exposure to US equity market, are familiar with the opportunities and risks specific to this market sector, who are seeking long-term capital

appreciation, have a long-term investment horizon, are willing to accept a moderate level of volatility, and are willing to invest through a complete market cycle. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.



**XVII. MACQUARIE FUND SOLUTIONS – MACQUARIE US LARGE CAP  
VALUE FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund aims to provide Shareholders with long-term capital appreciation by investing in equity and equity related securities of US issuers (mainly large cap).

**2. Investment Strategy**

The Sub-Fund will aims to meet the investment objective by investing at least 80% of its net assets in a well-diversified portfolio of US equity and equity-related securities of large sized issuers that, at the time of investment, have a market capitalisation within the range of market capitalisation of companies in the Russell 1000® Value Index, which the Investment Manager believes have long-term capital appreciation potential.

The Investment Manager will research individual companies and analyse economic and market conditions, seeking to identify the securities that it believes are the best investments for the Sub-Fund. The Investment Manager will take a disciplined approach to investing, combining investment strategies and risk management techniques that it believes can help investors meet their investment objective. The Investment Manager follows a value-oriented investment philosophy in selecting stocks for the Sub-Fund using a research-intensive approach that considers factors such as: a security price that reflects a market valuation that is judged to be below the estimated present or future value of the company; favourable earnings prospects and dividend yield potential; the financial condition of the issuer; and various qualitative factors.

In relation to the types of eligible assets in which the Sub-Fund may invest, please refer to section 5 below.

**3. Dealing Information**

<b>Dealing Cut-Off Time for subscriptions, redemptions and conversions</b>	Means 6.00 pm (Luxembourg Time) on the relevant Dealing Day
<b>Dealing Day</b>	Means any Business Day
<b>Valuation Day</b>	Means each Dealing Day
<b>Settlement Date for Subscriptions</b>	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
<b>Settlement Date for Redemptions</b>	Normally the 4 <sup>th</sup> Business Day following the Dealing Day

**4. Investment Manager**

The Investment Manager of the Sub-Fund is Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust, a Delaware statutory trust which was established on 16 September 1996 and which is registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Macquarie Group.

The registered office of the Investment Manager is at:  
2005 Market Street,  
Philadelphia, PA 19103,  
United States of America

## **5. Description of the Sub-Fund's Portfolio**

The securities in which the Sub-Fund will invest shall include, but not be limited to, ordinary shares or common stock, REITs, ADRs, EDRs, GDRs, preferred stocks, convertible shares, convertible preferred stocks, initial public offerings and warrants (provided that investments in warrants shall not comprise more than 5% of the net assets of the Sub-Fund). The Sub-Fund may invest up to 20% of its net assets in non-US companies directly, or indirectly through ADRs, GDRs, or EDRs.

The Sub-Fund may also invest indirectly in such securities for investment purposes through the use of financial derivative instruments, such as options and futures. The Sub-Fund may be leveraged up to 30% of its net assets as a result of its use of such derivative instruments.

The securities will principally be listed, traded, or dealt in on a Regulated Market in the US, although up to 10% of the net assets of the Sub-Fund may be invested in the securities of non-US issuers at any one time whose securities will be listed, traded, or dealt in on any Regulated Market in a member state of the OECD. The Sub-Fund may also invest up to 10% of its net assets in UCITS or UCIs.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7. entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations".

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Limited Number of Securities Risk
- Volatility Risk
- Performance Risk
- Leverage Risk
- Liquidity Risk
- Real Estate Industry Risk
- Investments in REITs
- Initial Public Offerings

## 8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## 9. Reference Currency

The reference Currency of the Sub-Fund is USD.

## 10. Classes of Shares

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
A	1.35%	100	100	100
A2	0.85%	100	100	100
I	0.60%	1,000,000	500,000	50,000
I2	0.60%	1,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

Investment in the Sub-Fund is suitable for investors who are seeking long-term total return through a combination of income and capital appreciation, have a long-term investment horizon, are willing to accept a moderate level of volatility, and are willing to invest through a complete market cycle. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

**XVIII. MACQUARIE FUND SOLUTIONS – MACQUARIE SUSTAINABLE  
EMERGING MARKETS LC BOND FUND**

*(the "Sub-Fund")*

**1. Investment Objective**

The Sub-Fund seeks to provide Shareholders with current income and the potential for medium to long term capital appreciation.

**2. Investment Strategy**

The Sub-Fund will seek to achieve its investment objective by investing primarily in bonds and/or securitised debt instruments that are issued or guaranteed by supranational agencies. These instruments are primarily denominated in local currencies from emerging countries. To a lesser extent, the Sub-Fund may also invest in other bonds and/or other securitised debt instruments, money market instruments and cash when the Investment Manager expects returns from those securities to contribute to meeting the investment objective of the Sub-Fund and/or to enhance liquidity.

The Sub-Fund may invest up to 10% of its assets in UCITS and other UCIs.

The Sub-Fund may use financial derivative instruments for hedging purposes, for efficient portfolio management and as a way to gain exposure to various assets, markets or income streams. The Investment Manager analyses interest rate, currency, and other macroeconomic trends to identify countries and/or geographic regions that appear likely to offer the best risk-adjusted returns. The Investment Manager then uses a combination of overall market analysis and analysis of individual securities, including technical, fundamental and credit analysis, to identify those bonds that offer the potential for attractive income and may benefit from increases in the value of their currencies. The Investment Manager then combines these securities to create a well-diversified portfolio. In selecting the investment instruments, special emphasis is placed on the strict implementation of environmental, social and economic criteria so that this Sub-Fund complies with the goals of climate-friendly, sustainable development.

**3. Dealing Information**

Dealing Cut-Off Time for subscriptions, redemptions and conversions	Means 12.00 pm (Luxembourg Time) on the relevant Dealing Day
Dealing Day	Means any Business Day
Valuation Day	Means each Dealing Day
Settlement Date for Subscriptions	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day
Settlement Date for Redemptions	Normally the 3 <sup>rd</sup> Business Day following the Dealing Day

**4. Investment Manager**

The Sub-Fund's Investment Manager is Macquarie Investment Management Austria Kapitalanlage AG.

The Investment Manager holds a licence issued by the Austrian Financial Market Authority (FMA) (Section 1 (1) clause 13 of the Austrian Banking Act (BWG); Section 5 (2) clause 3 of the Austrian Investment Fund Act (InvFG) 2011 and Section 5 (2) clause 4 lit. a of the Austrian Investment Fund Act 2011).

The Investment Manager is part of the Macquarie Group. The Investment Manager was incorporated in 1998 under the name "INNOVEST Kapitalanlage AG" and was incorporated into the Macquarie Group in 2011. The Investment Manager is one of the leading asset managers in Austria and offers products primarily to institutional investors which extend across the entire spectrum of investment classes.

The registered office of the Investment Manager is at:  
Kaerntner Strasse 28,  
1010 Vienna,  
Austria

## **5. Description of the Sub-Fund's Portfolio**

The Sub-Fund aims to meet its investment objective by primarily investing in a carefully selected and diverse range of bonds and/or other securitised debt instruments, such as but not limited to normal emerging markets FX denominated bonds, dual currency emerging markets bonds, synthetic emerging markets local currency bonds, and bank issued emerging markets currency linked bonds that are denominated in a local currency from emerging markets countries. This includes dual-currency bonds, where one of the currencies is an emerging market local currency. The issuers of those instruments primarily will be supranational agencies such as "The European Investment Bank", "The InterAmerican Development Bank", the "International Finance Corporation" etc. Those issuers usually offer very high credit quality.

The use of a number of instruments, such as derivatives, may give rise to leverage up to 100% of the Sub-Fund's net assets.

**Securities and money market instruments that are issued or guaranteed by the Kreditanstalt für Wiederaufbau ("KfW"), the European Investment Bank ("EIB"), the European Bank for Reconstruction and Development ("EBRD"), the International Bank for Reconstruction and Development ("IBRD"), the InterAmerican Development Bank ("IADB"), the International Finance Corporation ("IFC"), the Asian Development Bank ("ADB"), Nordic Investment Bank, Asian Infrastructure Investment Bank ("AIIB") and the African Development Bank ("AFDB") may be acquired for more than 35% of the Sub-Fund assets, provided the investment is made in at least six different issues, with the investment in a single issue not exceeding 30% of Sub-Fund assets.**

**Financial derivative instruments can be used for efficient portfolio management and for hedging purposes. This may increase the risk of loss for the assets held in the Sub-Fund, at least temporarily.**

All of the above investments will be made in accordance with the limits set out in section 6 of the Prospectus.

## **6. Dividend Policy**

The Board of Directors may propose to the annual general meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject

to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company. Dividends, if declared, will usually be declared annually as indicated in the Prospectus section 7.7 entitled "Dividend Policy". The Board of Directors may also declare interim dividends.

## **7. Risk Considerations for the Sub-Fund**

Potential investors are reminded to consider the risk factors in the Prospectus section entitled "Risk Considerations". Potential investors are reminded that the Sub-Fund will invest in, or otherwise have exposure to, emerging markets. In making an investment decision, potential investors should consider and weigh the expected performance of, and the risks associated with, investments in emerging markets.

Potential investors should especially consider the following risk factors which are specific to this Sub-Fund before investing in the Sub-Fund. This does not purport to be an exhaustive list of the risk factors relating to investment in the Sub-Fund.

- Currency Risk
- Liquidity risk
- Income Securities Risk
- Volatility Risk
- Concentration Risk
- Credit Risk
- Political Risk
- Country Risk
- Default Risk
- Leverage Risk

## **8. Method for Measuring Global Exposure of the Sub-Fund (Section 6.4 of the Prospectus)**

The global exposure of the Sub-Fund is measured using the Commitment Approach on a daily basis.

## **9. Reference Currency**

The reference Currency of the Sub-Fund is EUR.

## **10. Classes of Shares**

In order to meet the specific needs of Investors, the Directors may decide to create within the Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund according to the characteristics mentioned above.

A complete list of all available Classes of Shares and expense caps (if applicable) is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

Class	Maximum Management Fee (Management Company and Investment Manager, when combined)	Minimum Initial Subscription Amount*	Minimum Holding Amount*	Minimum Additional Subscription Amount / Minimum Redemption Amount*
<b>A</b>	1.45%	100	100	100
<b>B</b>	1.05%	100	100	100
<b>I</b>	1.05%	1,000,000	500,000	50,000
<b>A2</b>	1.25%	100	100	100
<b>I2</b>	1.05%	1,000,000	500,000	50,000
<b>SI</b>	0.65%	35,000,000	500,000	50,000

\*Minimum amounts are in the currency in which the relevant Class is denominated (except for SEK and JPY), where available.

Investors should refer to section "1. Shares to be offered" of Annex B for more detailed information on the features of the different Share Classes issued by the Sub-Fund.

## 11. Profile of the Typical Investor

The Sub-Fund is suitable for investors who have experience with debt instruments, who wish to benefit from an investment with exposure to debt instruments denominated in a local currency from emerging countries, are familiar with the opportunities and risks specific to this market sector, who are seeking long-term capital appreciation, have a long-term investment horizon and are willing to accept a moderate level of volatility. Investors must expect fluctuations in the value of investments, which may temporarily lead to substantial loss of value. The Sub-Fund is suitable for use as a supplementary investment within a diversified portfolio.

## **PROSPECTUS – ANNEX B**

### **MACQUARIE FUND SOLUTIONS**



1. Shares to be offered
2. Currency Hedging
3. Charges to Investors – General

This document is an Annex to the prospectus of Macquarie Fund Solutions dated May 2019 (the "Prospectus") and should be read in conjunction with such Prospectus and with the Annex A thereto. If you do not have a copy of the Prospectus, please contact the registered office of Macquarie Fund Solutions to receive a copy of the Prospectus. Unless indicated to the contrary, words defined in the Prospectus, shall have the meaning ascribed therein for the purpose of this Annex.



## 1. Shares to be offered

### *General features*

In order to meet the specific needs of Investors, the Directors may decide, at their absolute discretion, to create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but which may have any combination of the following features:

- Each Sub-Fund may contain Class A Shares, Class A2 Shares, Class A3 Shares, Class B Shares, Class I Shares, Class I2 Shares, Class I3 Shares, Class SI Shares, Class F Shares, Class IF Shares, which may differ in the sale or redemption charge structure, fee structure, minimum subscription amount, minimum holding amount, eligibility requirements, currency of denomination, dividend policy or other specific features applicable to them as listed in each Sub-Fund annex.
- Each Class of Shares, where available, may be offered in the reference currency of the relevant Sub-Fund, or may be denominated in any currency, and such currency denomination will be represented as a suffix to the Class of Shares name.
- Each Class of Shares may be:
  - unhedged; or
  - currency hedged (see "2. Currency Hedging" below) in which case a reference to "H" is contained in its name.
- Each Class of Shares, where available, may also have different dividend policies and may be accumulating or distributing as further described under section "Dividend Policy" of the general part of this Prospectus and sub-section "Dividend Policy" of the annex of the relevant Sub-Fund. Distributing Classes of Shares will contain a reference to "dist" in the name of the Class of Shares. Accumulating Classes of Shares will have no specific reference to that effect in their name.

To ascertain which Classes of Shares are available for subscription please contact the Central Administration Agent or the Distributor.

A complete list of all available Classes of Shares is available on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav), including the currencies of share classes offered and whether or not share class hedging is available. This list may be obtained from free of charge and upon request, from the registered office of the Company or the Management Company.

### *Specific features*

#### **Class A Shares**

Class A Shares are available to all investors.

#### **Class A2 Shares**

Class A2 Shares are available to all investors subscribing through financial intermediaries which, under the relevant contractual, legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties and which have been approved by the Management Company and/or global distributor.

#### **Class A3 Shares**

Class A3 Shares are available to all investors which are investing through the intermediary of certain institutional investors or their affiliates, as agreed upon by and approved by the Management Company and/or the global distributor through contractual arrangements currently in place which, under contractual, legal and regulatory requirements are not allowed to accept and retain inducements from third parties.

#### **Class B Shares**

Class B Shares are available only to (i) distributors, platforms or other intermediaries, who have separate fee arrangements with their clients for providing such services to them and (ii) the staff of companies that are part of the Macquarie Group of companies. All other investors are not allowed to acquire Class B Shares save at the Company's discretion.

#### **Class I Shares**

Class I Shares are available to Institutional Investors. Prior to the date of this Prospectus, Class I Shares for the Sub-Funds were known as Class C.

#### **Class I2 Shares**

Class I2 Shares are available to (i) Institutional Investors investing (a) on their own behalf or (b) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate and to (ii) financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which (a) invest in their own name but on behalf of any of their Institutional Investors or (b) invest on behalf of Institutional Investors and which have been approved by the Management Company/global distributor.

#### **Class I3 Shares**

Class I3 Shares are available to certain Institutional Investors which are investing through the intermediary of / are part of certain institutional investors or their affiliates subject to contractual arrangements currently in place agreed upon by and approved by Management Company and/or global distributor.

#### **Super Institutional – Class SI Shares**

Class SI Shares are available to (i) Institutional Investors investing (a) on their own behalf or (b) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate and to (ii) financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which (a) invest in their own name but on behalf of any of their Institutional Investors or (b) invest on behalf of Institutional Investors and which have been approved by the Management Company/global distributor. Class SI Shares generally require minimum initial

investment of USD 35 million (or currency equivalent).

### **Class F Shares**

Class F Shares are available to all investors.

### **Founders' Class – Class IF Shares**

Class IF Shares are available to Institutional Investors who invested in the early life of a Sub-Fund. Class IF will be available to new Institutional Investors until a Sub-Fund's assets reach USD 200 Million (or currency equivalent) at which time, Class IF will no longer permit new investors into the Share Class. Existing investors in Class IF may continue to make subsequent purchases for the life of the account. Class IF shares generally have a similar initial investment minimum as Class I shares.

## **2. Currency Hedging**

Classes of Shares denominated in a currency which is not the Reference Currency of the relevant Sub-Fund will only be currency hedged if a reference to "H" is contained in their name. For Classes of Shares which are specified as being currency hedged, the Company will engage in currency hedging transactions to hedge the currency exposure of the relevant Class back to the Reference Currency of the relevant Sub-Fund.

The currency hedging transactions will involve the use of financial derivative instruments, primarily being currency forward contracts, and will be periodically rebalanced to reflect the changing value of the assets attributable to the relevant Class of Shares, as well as subscriptions and redemptions. The profit or loss on these trades would be solely for the relevant Class of Shares and therefore performance of each Class of Shares will differ according to the net result of movements of the Reference Currency of the relevant Class and proceeds from the currency hedging transactions.

## **3. Charges to Investors – General**

### *Initial Charge*

The Distributor may, at its discretion, levy an Initial Charge not exceeding the fixed percentage amount set out below with respect to a specific Class. The Initial Charge may not apply in the case of one or more Sub-Funds. The Distributor may pay all or part of the Initial Charge to sub-distributors, recognised intermediaries or such other persons as the Distributor may determine, at its absolute discretion.

Class A: up to 5% p.a.

### *Conversion Fee*

The Distributor may, at its discretion, levy a Conversion Fee not exceeding the fixed percentage amount set out below with respect to a specific Class. The Conversion Fee may not apply in the case of one or more Sub-Funds. In the case of investors who initially invested in a Sub-Fund where no Conversion Fee is payable and subsequently switch into a Sub-Fund where a Conversion Fee is payable, such conversion will be subject to the Conversion Fee then applicable to a Sub-Fund into which such investment is converted and is payable to the Distributor. The Distributor may pay all or part of the Conversion Fee to sub-distributors, recognised intermediaries or such other persons as the Distributor may determine, at its absolute discretion.

Class A: up to 1% p.a.

### *Redemption Fee*

The Distributor may, at its discretion, levy a Redemption Fee not exceeding the fixed percentage amount set out below with respect to a specific Class. The Redemption Fee may not apply in the case of one or more Sub-Funds. The Distributor may pay all or part of the Redemption Fee to sub-distributors, recognised intermediaries or such other persons as the Distributor may determine, at its absolute discretion. The Distributor will normally exercise its discretion to reduce the Redemption Fee by 50% if the Shareholder's holding period of Shares in the relevant Sub-Fund exceeds six months and by 100% if the Shareholder's holding period of Shares in the relevant Sub-Fund exceeds twelve months.

Class A: up to 2.5% p.a.

### *Management Fees, Service Fee and Depositary and Central Administration Agent Fee*

The Management Fees, the Service Fee and the Depositary and Central Administration Agent Fee are expressed as a percentage per annum of Net Asset Value of the relevant Class.

The Service Fee and the Depositary and Central Administration Agent Fee accrue on a daily basis and are payable monthly in arrears.

For the following Sub-Funds, the Management Fees accrue on a daily basis and are payable monthly in arrears:

- Macquarie Emerging Markets Fund;
- Macquarie Global Value Fund;
- Macquarie Corporate Bond Fund;
- Macquarie US Large Cap Value Fund;
- Macquarie US Large Cap Growth Fund;
- Macquarie Global Multi Asset Absolute Return Fund;
- Macquarie Euro Government Bond Fund;
- Macquarie Global Convertible Fund;
- Macquarie Emerging Market Convertible Fund; and
- Macquarie Sustainable Emerging Markets LC Bond Fund.

For all other Sub-Funds, the Management Fees accrue on a daily basis and the Management Company fees are payable monthly in arrears, while the applicable Investment Manager fees are payable quarterly in arrears.

A Service Fee of up to 0.3% p.a. may be applied to Class A and Class F of the following Sub-Funds:

- Macquarie Asia New Stars Fund;
- Macquarie Global Listed Infrastructure Fund; and
- Macquarie Global Income Opportunities Fund.

The Management Fees applicable to each Sub-Fund and its Classes of Shares are set out in Annex A.

For details on the Depositary and Central Administration Agent Fee see section 9.3 of the Prospectus.

## **COUNTRY SPECIFIC ADDITIONAL INFORMATION FOR INVESTORS**

### **MACQUARIE FUND SOLUTIONS**



- Additional information for Austrian investors
- Additional information for investors in the Federal Republic of Germany
- Additional information for investors in Switzerland
- Additional information for investors in the Principality of Liechtenstein
- Addendum to the Prospectus for investors in the United Kingdom
- Addendum to the Prospectus for investors in Ireland

This document should be read in conjunction with the prospectus of Macquarie Fund Solutions dated May 2019 (the "Prospectus"). If you do not have a copy of the Prospectus, please contact the registered office of Macquarie Fund Solutions to receive a copy of the Prospectus. Unless indicated to the contrary, words defined in the Prospectus shall have the meaning ascribed therein for the purpose of this country specific additional information for investors.

## **ADDITIONAL INFORMATION FOR AUSTRIAN INVESTORS**

The following information is intended for potential investors in the Company domiciled in the Republic of Austria. It supplements the Prospectus in relation to the distribution of Shares in Austria.

The Company has the right to market Shares in the following Sub-Funds in Austria:

- Macquarie Fund Solutions – Macquarie Global Listed Infrastructure Fund
- Macquarie Fund Solutions – Macquarie Asia New Stars Fund
- Macquarie Fund Solutions – Macquarie Asian All Stars Fund
- Macquarie Fund Solutions – Macquarie Emerging Markets Small Cap Fund (formerly Macquarie China New Stars Fund)
- Macquarie Fund Solutions – Macquarie Global Multi Asset Absolute Return Fund
- Macquarie Fund Solutions – Macquarie Euro Government Bond Fund
- Macquarie Fund Solutions – Macquarie Global Convertible Fund
- Macquarie Fund Solutions – Macquarie Emerging Market Convertible Fund
- Macquarie Fund Solutions – Macquarie Absolute Return MBS Fund
- Macquarie Fund Solutions – Macquarie Global Multi Asset Income Fund
- Macquarie Fund Solutions – Macquarie US Smaller Companies Fund
- Macquarie Fund Solutions – Macquarie Corporate Bond Fund
- Macquarie Fund Solutions – Macquarie Emerging Markets Fund
- Macquarie Fund Solutions – Macquarie Global Value Fund
- Macquarie Fund Solutions – Macquarie Sustainable Emerging Markets LC Bond Fund
- Macquarie Fund Solutions – Macquarie US Large Cap Growth Fund
- Macquarie Fund Solutions – Macquarie US Large Cap Value Fund

### **Credit institution within the meaning of Sec. 141 (1) Investment Fund Act 2011 ("InvFG 2011")**

Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Wien, Austria, telephone +43 (0) 50100 12139, telefax +43 (0) 50100 9 12139.

### **Place where investors may obtain the compulsory information within the meaning of Sec. 142 InvFG 2011**

Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Wien, Austria, telephone +43 (0) 50100 12139, telefax +43 (0) 50100 9 12139.

### **Publication Medium**

In Austria, the subscription and redemption prices are published on [www.morningstar.at](http://www.morningstar.at). Other information for investors, if any, will be published on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav).

### **Local tax representative within the meaning of Sec. 186 (2) No. 2 InvFG 2011 in connection with Sec. 188 InvFG 2011**

Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Wien, Austria, telephone +43 (0) 50100 12139, telefax +43 (0) 50100 9 12139.

**Further information**

The intention to distribute Shares in the Company has been notified to the Austrian Finanzmarktaufsicht pursuant to Sec. 140 InvFG 2011.

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

The Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht of its intention to market Shares in Germany and, since completion of the notification process, the Company has the right to market Shares in Germany.

### **Paying Agent in Germany**

#### **Deutsche Bank Aktiengesellschaft**

Taunusanlage 12

60325 Frankfurt am Main

Germany

has taken over the function of paying agent in Germany (the "Paying Agent").

Redemption and conversion applications for Shares may be sent to the Paying Agent for onward transmission to the Administrator.

Shareholders in Germany may request that they receive payments (redemption proceeds, distributions, if any, and any other payments) from the Company through the German Paying Agent.

### **Information Agent in Germany**

#### **Deutsche Bank Aktiengesellschaft**

Taunusanlage 12

60325 Frankfurt am Main

Germany

has taken over the function of an information agent in Germany (the "Information Agent").

The Prospectus, the KIIDs, the Articles of Incorporation of the Company, the audited annual reports and the unaudited semi-annual reports may be obtained free of charge in paper form at the office of the Information Agent.

The subscription, conversion and redemption prices of the Company are also available free of charge at the office of the Information Agent.

Copies of the following documents are available for inspection free of charge during business hours on each Business Day at the registered office of the Information Agent:

- the Fund Management Company Agreement between the Company and the Management Company;
- the Custodian Agreement between the Company and the Custodian;
- the Investment Management Agreement between the Company, the Management Company and each Investment Manager;
- the Administration Agency Agreement between the Company, the Management Company and the Central Administration Agent; and
- the Investment Fund Service Agreement between the Company and the Central Administration Agent.



**Publications**

In Germany, the subscription and redemption prices are published on [www.morningstar.de](http://www.morningstar.de) and the German daily tax figures are published on [www.fundinfo.com](http://www.fundinfo.com). Other information for investors, if any, will be published on [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav). In those cases enumerated in § 298 (2) KAGB, investors in Germany will also be notified in accordance with § 167 KAGB by means of a durable medium.

## **ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

### **1. Representative**

The representative in Switzerland is Carnegie Fund Services S.A. 11, rue du Général-Dufour, CH1201 Geneva, Switzerland.

### **2. Paying agent**

The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland.

### **3. Place where the relevant documents may be obtained**

The relevant documents such as the Prospectus, the KIIDs, the Articles of Incorporation, the audited annual reports and the unaudited semi-annual reports may be obtained free of charge from the representative in Switzerland.

### **4. Publications**

Publications in respect of the Company will occur in Switzerland on the electronic platform of "fundinfo AG" ([www.fundinfo.com](http://www.fundinfo.com)). In particular, such publications include essential information for investors such as substantial amendments to the Prospectus as well as the liquidation of the Company or one or more of the Sub-Funds.

The issue and the redemption prices or the net asset value together with a footnote stating „excluding commissions“ of all share classes are published daily on the electronic platform of "fundinfo AG" ([www.fundinfo.com](http://www.fundinfo.com)).

### **5. Prevailing version**

The legal relationship between the Company and the investors in Switzerland is governed by the German version of the Prospectus.

### **6. Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.

### **7. Payment of retrocessions and rebates**

The Company or its agents may pay retrocessions in connection with distribution activity in respect of the Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

The offering and advertising of the Shares, including any kind of activity that is intended to distribute the Shares, including but not limited to the organization of roadshows, the participation in fairs and events, the production of marketing materials, the training of distributors and sales partners.

Retrocessions are not deemed to be rebates even if it is ultimately passed on, in full or in part, to the underlying investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amount they actually receive for distributing the Shares of the investor concerned.

In the case of distribution activity in or from Switzerland, the Company or its agents may upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investors in question. Rebates are permitted provided that:

- they are paid from fees received by the Company or its agents and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Company or its agents are as follows:

- the volume subscribed by the investor in the Shares or the total volume the investor holds in the Shares or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of the Company or of one or more of the Sub-Funds.

At the request of the investor, the Company or its agents must disclose the amount of such rebates free of charge.

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE PRINCIPALITY OF LIECHTENSTEIN**

### **1. Domestic Paying Agent**

Liechtensteinische Landesbank Aktiengesellschaft  
Städtle 44  
FL-9490 Vaduz  
Principality of Liechtenstein

Investors in the Principality of Liechtenstein may submit redemption and conversion applications for shares of the Sub-funds which may be marketed in the Principality of Liechtenstein to the domestic Paying Agent for onward transmission to the Administrative Agent of the Fund.

All payments to investors in the Principality of Liechtenstein (redemption proceeds, any disbursements or other payments) may be remitted via the domestic paying agent.

### **2. Availability of documents**

The following documents are available on the website [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav) and/or may be obtained free of charge and on request in hard copy from the domestic paying agent:

- the prospectus in German and English,
- the Key Investor Information Document (KIID) in German,
- the annual and semi-annual reports in German and English,
- the Articles of Incorporation in German and English.

### **3. Publications**

a) Any notices to investors in the Principality of Liechtenstein are published on the website [www.mim-emea.com/sicav](http://www.mim-emea.com/sicav).

b) The net asset value as well as the issue and redemption prices of the shares of the Sub-funds are published daily on the website [www.morningstar.ch](http://www.morningstar.ch).

## **ADDENDUM TO THE PROSPECTUS FOR INVESTORS IN THE UNITED KINGDOM**

### **General**

This addendum should be read in conjunction with the Company's Prospectus, of which it forms part. Unless otherwise defined, defined terms in this addendum shall have the same meaning as provided in the Prospectus.

The Company is recognised by the Financial Conduct Authority of the United Kingdom (the "FCA") under Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). Shares may be promoted to the general public in the United Kingdom by persons authorized to carry on investment business in the United Kingdom. The Prospectus and this addendum constitute a financial promotion for the purposes of Section 21 of the Act and is being issued in the United Kingdom by the Company.

### **UK Facilities**

The facilities agent for the Company is Duff & Phelps Limited (the "UK Facilities Agent") with its offices at:

14<sup>th</sup> Floor, The Shard  
32 London Bridge Street  
London SE1 9SG  
United Kingdom  
Tel: +44 (0) 207 089 4700

The following documents relating to the Company are available for inspection and copies in English may be obtained free of charge during regular business hours at the office of the UK Facilities Agent:

- the Prospectus and any amendments thereto,
- the Key Investor Information Documents (KIIDs),
- the audited annual and unaudited semi-annual reports,
- the Articles of Incorporation and any amendments thereto.

Shareholders may obtain the subscription and redemption prices of the Shares at the office of the UK Facilities Agent.

The UK Facilities Agent will provide information on how to subscribe for and/or redeem shares in the Company and obtain payment and will maintain facilities in the United Kingdom to enable Shareholders to redeem or arrange for redemption of Shares and obtain payment.

Any Shareholder wishing to make complaint about the operations of the Company can submit a complaint to the UK Facilities Agent at the address set out above for transmission to the Company.

## **TAXATION IN THE UNITED KINGDOM**

The following paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this Addendum. They summarise certain limited aspects of the United Kingdom tax treatment Shareholders and relate only to the position of Shareholders who are the absolute beneficial owners of their Shares, who hold their Shares as an investment (as opposed to securities to be realised in the course of the trade) and (except insofar as express reference is made to the treatment of non-United Kingdom residents or non-United Kingdom domiciliaries) who are resident and, if an individual, domiciled in, and only in, the United Kingdom for taxation purposes. They do not apply to certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who have acquired their Shares by reason of, or in connection with, an office or employment. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

### **1. Shareholders**

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

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010")) which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's annual reportable income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

The Shares will constitute interests in an offshore fund. The Directors have obtained from the United Kingdom HM Revenue & Customs ("HMRC") recognition of certain classes of Shares as a reporting fund and may apply for such recognition in respect of further classes of Shares in the future. The up-to-date list of reporting funds may be viewed on the HMRC website at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>. The effect of obtaining and maintaining such status throughout a Shareholder's relevant period of ownership would be that any gains on disposal of such Shares would be taxed as capital gains. However, there can be no guarantee that reporting fund status will be obtained and maintained for each such class of Share. Were such application to be unsuccessful or such status subsequently to

be withdrawn, any gains arising to Shareholders resident in the United Kingdom on a sale, redemption or other disposal of such Shares (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains.

The conversion of Shares in one Fund for Shares in another Fund (see under the heading “Conversion of Shares” in the Prospectus) may amount to a disposal of the original Shares for tax purposes and accordingly a chargeable gain (or offshore income gain where recognition of the original Shares as a reporting fund has not been obtained and maintained) or of an allowable capital loss may be realised. The conversion of Shares of one class for Shares of another class in the same Fund may amount to a disposal if the original Shares are not at the relevant time of a class which is a reporting fund and the new Shares are of a class so recognised and may otherwise amount to a disposal depending on the circumstances.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the “loan relationships regime”) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the “qualifying investments” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 per cent. of its assets by market value (excluding cash awaiting investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of certain Funds, certain Funds could fail to satisfy the qualifying investments test. In that eventuality, the Shares in that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in that Fund in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares in the Company 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).

## **2. Anti-avoidance**

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

Persons resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 could be material to any such person who has an interest in the Company as a “participator” for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the

Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one quarter of the gain. In addition, section 13 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the United Kingdom, section 13 applies subject to the remittance basis in particular circumstances.

Companies resident in the United Kingdom for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (the “CFC rules”). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for United Kingdom taxation purposes) an interest in 25 per cent or more of the “chargeable profits” of the Company if the Company is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to United Kingdom corporation tax by reference to their proportionate interest in the chargeable profits of the Company. The chargeable profits of the Company do not include any capital gains.

### **3. Transfer/Other taxes**

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom *ad valorem* stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

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

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this Addendum. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.



#### **4. FATCA and other reporting regimes**

Investors are referred to section 11.4 of the Company's Prospectus in relation to FATCA.

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with tax authorities in other participating CRS jurisdictions in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Luxembourg has implemented the CRS. As a result, the Company is required to comply with the CRS due diligence and reporting requirements as adopted by Luxembourg. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company as applicable.

## **Macquarie Fund Solutions**

### **Information aimed to Irish Shareholders**

#### ***Facilities Agent***

RBC Investor Services Ireland Ltd. has been appointed to act as Facilities Agent (“the Agent”) for the Fund and it has agreed to provide facilities at its offices at George’s Quay House, 43 Townsend Street, Dublin 2, Ireland, where:

(a) a Shareholder may obtain information on prices and on how a redemption request can be made and how redemption proceeds will be paid; and

(b) the following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted):

- i) Articles of Incorporation of the Fund;
- ii) the most recent annual and half-yearly reports of the Fund;
- iii) the full Prospectus; and
- iv) the latest KIIDs.

In addition, the Agent will provide facilities for making payments to Shareholders.

#### **Taxation**

**The following summary is only intended as a brief and general guide to the main aspects of current Irish tax law and practice of the Revenue Commissioners in Ireland applicable to the holding and disposal of Shares in the Fund where the Shareholder is regarded as holding a material interest in an offshore fund and is resident or ordinarily resident in Ireland or carrying on a trade in Ireland through a branch or agency in Ireland. Shareholders should note this summary reflects the law and practice in force at the date of this document and may change in the future.**

**It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is addressed to shareholders who are the absolute beneficial owners of Shares held as investments and not to special classes of shareholder such as financial institutions. Accordingly, its applicability will depend upon the particular circumstances of individual shareholders. The summary is not exhaustive and does not generally consider tax reliefs or exemptions. Any prospective shareholder who is in any doubt about his/her Irish tax position in relation to the Fund should consult his/her Irish professional adviser.**

**Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring, switching or selling any of their Shares under the laws of their countries of citizenship, residence and domicile.**

#### ***Taxation of the Fund in Ireland***

The Directors intend to conduct the affairs of the Fund so that it does not become resident in Ireland for taxation purposes. Accordingly, provided the Fund does not exercise or carry on a trade in Ireland through a branch or agency, the Fund will not be subject to Irish tax on its income and gains other than on certain Irish source income and gains.

#### ***Taxation of Shareholders***

Shareholders in the Fund who are resident or ordinarily resident in Ireland or carrying on a trade in Ireland through a branch or agency in Ireland (“**Irish Shareholders**”) will be liable to tax in respect of income and gains arising on their Shares in accordance with the provisions of Chapter 4 Part 27 of the

Taxes Consolidation Act, 1997 (as amended) (“TCA”). Accordingly, such shareholders will be obliged to comply with the requirements set out therein.

Such shareholders should note that acquiring Shares in the Fund will bring them within the self-assessment system of tax and, in particular, Part 41A of the TCA. Accordingly, shareholders who are individuals will be obliged to comply with the tax filing and payment requirements including making a self-assessment tax return on or before 31 October in the year following the year of assessment in which the income or gains arise, paying preliminary tax on or before 31 October in the year of assessment in which the income or gains arise and paying the balance of any tax due on or before 31 October in the year following the year of assessment in which the income or gains arise.

Shareholders should note that they are obliged to provide details of their acquisition of Shares in the Fund in the prescribed manner in their tax return for the year of assessment in which they acquire Shares.

### **Irish pension funds**

Pension funds that are approved for the purposes of Sections 774, 784 and 785 of the TCA are exempt from Irish income tax in respect of income derived from their investments or deposits and all gains arising to these approved Irish pension funds are exempt from capital gains tax in Ireland.

### **Other Irish Shareholders**

Subject to personal circumstances, other Irish Shareholders will be liable to Irish income tax or corporation tax in respect of any income distributions of the Fund (whether distributed or reinvested in new Shares).

The Shares in the Fund will constitute a ‘material interest’ in an offshore fund located in a qualifying jurisdiction for the purposes of Chapter 4 (Sections 747B to 747E) of Part 27 of the TCA. This Chapter provides that if an individual investor resident or ordinarily resident in Ireland for taxation purposes holds a ‘material interest’ in an offshore fund and that fund is located in a ‘qualifying jurisdiction’ (including a Member State of the European Communities, a Member State of the European Economic Area or a member of the OECD with which Ireland has a double taxation treaty) then, dividends or other distributions and any gain (calculated without the benefit of indexation relief) accruing to the investor upon the disposal of the interest will currently be charged to tax at the rate of 41%. Individual Shareholders should note that, on their death, they will be deemed to have disposed of their shares in the Fund and reacquired them at the then market value immediately before their death.

Dividends or other distributions by the Fund to an Irish resident corporate Shareholder or any gain (calculated without the benefit of indexation relief) accruing to such investor upon the disposal of their interest in the Fund will be taxed at the rate of 25%, except where the payments are taken into account in computing the profits or gains of a trade carried on by the company. Shareholders should also note that any loss arising on a disposal of Shares in the Fund will be treated as a nil loss for tax purposes and any gain arising on a disposal of such Shares may not be relieved by other losses available to the shareholder from other sources. An Irish resident corporate investor who holds the Shares as part of its trading activities will be taxable on any income or gains as part of that trade at the rate of 12.5%.

The holding of Shares at the end of a period of 8 years from acquisition (and thereafter on each 8 year anniversary) will constitute a deemed disposal and reacquisition at market value by the Shareholder of the relevant Shares. On a deemed disposal, the Shareholder will be liable to pay income tax or corporation tax as applicable and as outlined above. To the extent that any tax arises on such a deemed disposal, such tax will be taken into account to ensure that any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares does not exceed the tax that would have been payable had the deemed disposal not taken place.

An offshore fund may be considered a Personal Portfolio Investment Undertaking (“PPIU”) in relation to a specific investor where that investor has influence over the selection of some or all of the property held by the offshore fund, either directly or through persons acting on behalf of or connected with the investor. Any gain arising on a chargeable event in relation to an offshore fund which is a PPIU in respect of an

individual will be taxed at the rate of 60%. A higher tax rate of 80% may apply where the individual fails to meet the necessary filing requirements under Chapter 4 of Part 27 of the TCA. Specific exemptions apply where the property invested has been clearly identified in the offshore fund's marketing and promotional literature and the investment is widely marketed to the public. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

For the purposes of Irish taxation a conversion of Shares in the Fund from one class of Shares to another class of Shares will not constitute a disposal. The replacement Shares shall be treated as if they had been acquired at the same time for the same amount as the holding of Shares to which they relate. There are special rules relating to situations where additional consideration is paid in respect of the conversion of Shares, or if a Shareholder receives consideration other than the replacement Shares in a fund. Special rules may also apply when a fund operates equalisation arrangements.

Where a currency gain is made by a Shareholder on a disposal of Shares in the Fund, the shareholder may be liable to capital gains tax in respect of that gain in the year of assessment in which the Shares are disposed of.

### *Encashment Tax*

Shareholders in the Fund should note that any distributions made by a paying agent in Ireland on behalf of the Fund or which are presented to, collected by, received by or otherwise realised by a bank or other person acting on behalf of the shareholder in Ireland may be subject to encashment tax at the standard rate of income tax which is currently 20%. Encashment tax is creditable against the shareholder's final income tax liability.

### *Stamp Duty*

No stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Fund provided the consideration is not related to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 or a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997) which is registered in Ireland.

### *Capital Acquisitions Tax*

A gift or inheritance comprising of Shares will be within the charge to capital acquisitions tax if either: (i) the disponent or the beneficiary in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) the Shares are regarded as property situate in Ireland.

However, shareholders should note that:

- (a) a non-Irish domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident at that date; and
- (b) on the basis that the Fund is incorporated or otherwise formed outside of Ireland and is a collective investment scheme within the meaning of Section 75 of the Capital Acquisitions Tax Consolidation Act 2003 being a bona fide scheme for the purpose, or having the effect, solely or mainly, of providing facilities for the participation by the public or other investors in profits or income arising from the acquisition, holding, management or disposal of securities or any other property, the disposal of Shares by way of a gift or inheritance will be exempt from capital acquisitions tax provided that:
  - (i) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date:
    - a) the disponent is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
    - b) the beneficiary is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.