

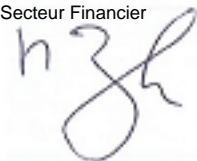
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d'argument de publicité

Luxembourg, le 2019-04-08

Commission de Surveillance du Secteur Financier



# Emirates NBD SICAV

*Investment Fund under Luxembourg Law*

*Société d'Investissement à Capital Variable*

Prospectus 20 April 2019

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## 1. Notice to Investors

Emirates NBD SICAV (the “**Fund**”) is authorised under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the “**Law of 2010**”). The Fund has appointed MDO Management Company SA (the “**Management Company**”) to serve as its designated management company in accordance with the Law of 2010. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (“**UCITS**”) under Article 1, paragraph 2, points a) and b) of the Directive 2009/65/EC, and may therefore be offered for sale in the European Union (“**EU**”) Member States (subject to notification to EU countries other than Luxembourg). In addition, applications to register the Fund may be made in other non-EU countries. The registration of the Fund on the official list of UCITS approved by the Luxembourg Regulatory Authority constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or the Key Investor Information Documents or as to the assets held in the various sub-funds of the Fund (individually a “**Sub-Fund**”, collectively the “**Sub-Funds**”). Any representations to the contrary are unauthorised and unlawful.

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the “United States”), and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. Certain restrictions also apply to the subsequent transfer of Shares in the United States or to or for the account of any US Person (as defined in Regulation S under the 1933 Act) which includes any resident of the United States, or any corporation, partnership or other entity created or organised in or under the laws of the United States (including any estate of any such person created or organised in the United States). The attention of investors is drawn to certain compulsory redemption provisions applicable to US Persons described in Section 7.5 “Redemption of Shares”. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

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

Shares in any Sub-Fund described in this Prospectus as well as in the Key Investor Information Document(s) are offered only on the basis of the information contained therein and (if applicable) any addendum hereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Fund.

A Key Investor Information Document (“**KIID**”) for each available class of shares in each Sub-Fund (a “**Class**” or collectively the “**Classes**”) shall be made available upon request to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class and Sub-Fund in which they intend to invest. Prospective investors should also review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisors in relation to: (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any

foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Before consent to distribute this Prospectus is granted, certain jurisdictions require it to be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail. Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof. Unless stated to the contrary, all references herein to times and hours refer to Luxembourg local time. Certain Shares are or will be listed on the Luxembourg Stock Exchange. Details may be obtained from the Listing Agent.

### **Kingdom of Saudi Arabia**

This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

### **Notice to residents of Hong Kong**

You are advised to exercise caution in relation to the offer. This document has not been registered by the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance ("CO"), and the Fund has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly: (i) the shares may not be offered or sold in Hong Kong by means of any document other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") and any rules made thereunder or in other circumstances which do not result in such document constituting either a "prospectus" as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("CWUO") or an offer to the public within the meaning of the SFO or the CO; and (ii) no person may issue, or have in its possession for the purpose of issue, any invitation, advertisement or other document relating to the shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

## 2. Directory

### **BOARD OF DIRECTORS OF THE FUND**

Mr. Salman Bajwa, Chairman, Emirates NBD Asset Management

Mr. Timothy Denton, Emirates NBD Bank PJSC, Dubai

Mr. Martin Vogel, MDO Services S.A., Luxembourg

Mr. Mark Creasey, Independent Director

### **MANAGEMENT COMPANY**

MDO Management Company S.A.

19, rue de Bitbourg

L-1273 Luxembourg

Luxembourg

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Chairman:

Mr. Géry Daeninck, Independent Director

Directors:

Mr. John Li How Cheong, Independent Director

Mr. Carlo Montagna, Independent Director

Mr. Yves Wagner, Independent Director

Mr. Martin Vogel, Chief Executive Officer, MDO Management Company S.A.

### **INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR**

Emirates NBD Asset Management Limited

8<sup>th</sup> Floor, East Wing

The Gate Building, DIFC,

PO Box 506578

Dubai

UAE

### **DEPOSITARY**

State Street Bank Luxembourg S.C.A.

49, Avenue J.F. Kennedy

L-1855 Luxembourg

Luxembourg

### **ADMINISTRATOR**

State Street Bank Luxembourg S.C.A.

49, Avenue J.F. Kennedy

L-1855 Luxembourg

Luxembourg



**AUDITORS OF THE FUND**

Ernst & Young  
35E, Avenue John F. Kennedy,  
L-1855 Luxembourg  
Luxembourg

**LUXEMBOURG LEGAL ADVISORS**

Arendt & Medernach S.A.  
41A, avenue John F. Kennedy  
L-2082 Luxembourg  
Luxembourg

**SHARI'A BOARD**

Fatwa and Shari'a Supervisory Board  
Emirates NBD Asset Management Limited  
Dr Hussein Hamid Hassan  
Dr Ojeill Jassim AlNashmi  
Dr Ali Al-Qurra Daghi

### 3. Definitions

The following words shall have the following meanings in this Prospectus:

**“AAOIFI”** means Accounting and Auditing Organisation for Islamic Financial Institutions.

**“ACC”** refers to accumulating Shares.

**“AED”** means United Arab Emirates Dirham.

**“Administrator”** means State Street Bank Luxembourg S.C.A. or such other entity appointed as administrator from time to time.

**“Annual General Meeting”** means the annual general meeting of the Shareholders.

**“Appendix”** means the relevant appendix of the Prospectus.

**“Articles of Incorporation”** means the articles of incorporation of the Fund.

**“Auditor(s)”** means Ernst & Young or such other entity appointed by the Fund from time to time.

**“Board of Directors”** means the board of directors of the Fund.

**“Business Day”** means any day in which banks in Luxembourg and London are open for normal full banking business (excluding Saturdays and Sundays as well as 24 December) In addition and where relevant for a specific Sub-Fund, any days in the UAE which are declared as public holidays for Eid or other religious holidays shall not be considered as Business Days. Such days and the list of impacted Sub-Funds will be communicated to investors in due course.

**“Calculation Day”** means a Valuation Day at the end of a calendar quarter.

**“CET”** means Central European Time.

**“Class”** means a class of Shares of a Sub-Fund.

**“CRS”** means the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law of 18 December 2015 on the Common Reporting Standard.

**“CSSF”** means the Commission de Surveillance du Secteur Financier, the financial regulatory authority in charge of the supervision of UCIs in Luxembourg.

**“CSSF Circular 08/356”** means the CSSF circular 08/356 of 4 June 2008 determining the rules applicable to undertakings for collective investment (UCIs) when they employ certain techniques and instruments relating to transferable securities and money market instruments.

**“CSSF Circular 11/512”** means the CSSF circular 11/512 of 30 May 2011 determining the (i) presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF.

**“CSSF circular 13/559”** means the CSSF circular 13/559 of 18 February 2013 regarding ESMA guidelines on ETFs and other UCITS issues.

**“Company Law”** means the law of 10 August 1915 on commercial companies (as amended).

**“Data Controller”** means for the purposes of the GDPR, the Fund.

**“Data Processors”** means any data processor described in Section 7.8 of the Prospectus.

**“Data Protection Law”** means the data protection law applicable to the Grand Duchy of Luxembourg and the GDPR.

**“Depository”** means State Street Bank Luxembourg S.C.A. or such other entity appointed by the Fund as depository from time to time.

**“Directive 2009/65/EC”** means the EC Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended from time to time.

**“EU”** means the European Union.

**“EUR”, “Euro” or “€”** means the European single currency.

**“Extraordinary Expenses”** means any extraordinary expenses of the Fund, including, without limitation, litigation expenses, formation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund or its assets that would not be considered as ordinary expenses.

**“FATCA”** means the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).

**“Fund”** means Emirates NBD SICAV.

**“GBP”** means United Kingdom Pounds Sterling.

**“GDPR”** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**“Global Distributor”** means Emirates NBD Asset Management Limited or such other entity appointed from time to time as global distributor.

**“Group of Companies”** means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended.

**“Haram”** any activity deemed as non-Shari’a compliant by the Shari’a Board.

**“Inc”** refers to distributing Shares.

**“Institutional Investors”** means institutional investors as defined from time to time by the CSSF.

**“ISDA”** means the International Swap and Derivatives Association.

**“Investment Manager”** means Emirates NBD Asset Management Limited or such other entity appointed from time to time as asset manager.

**“KIID”** means the Key Investor Information Document(s) of each Class for each Sub-Fund.

**“Law of 2010”** means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time.

**“Management Fee”** means the fees paid by the Fund to the Investment Manager calculated as a percentage of the average net assets of each Sub-Fund or Class.

**“Management Company”** means MDO Management Company S.A. or such other entity appointed as management company by the Fund from time to time.

**“Management Company Fee”** means the fees paid by the Fund to the Management Company as further defined in Appendix 2.

**“Member State”** means a member state 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.

**“Money Market Instruments”** means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.

**“Murabaha”** means Shari’a compliant cost-plus financing contract.

**“OECD”** means Organisation for Economic Cooperation and Development.

**“Operating and Administrative Expenses”** means all ordinary operating expenses of the Fund as set out in Section 9.5 of this Prospectus.

**“Other Regulated Market”** means a market which is regulated, operates regulatory and is recognised and open to the public, namely a market: (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public.

**“Other State”** any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.

**“Performance Fees”** means the fees paid to the Investment Manager as defined under 9.2 below.

**“Prospectus”** means this prospectus of the Fund as amended from time to time.

**“Reference Currency”** means the currency in which all the underlying assets of the relevant Sub-Fund are valued and reported. The Reference Currency for each Sub-Fund is set out in Appendix 1.

**“Regulated Market”** means a regulated market as defined in the EC Parliament and Council Directive 2004/39/EC dated 21 April 2004 on markets on financial instruments, as amended from time to time.

**“SFTR”** means securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

**“SGD”** means the Singapore Dollar.

**“Shareholder(s)”** means shareholder(s) of the Fund.

**“Share(s)”** means the share(s) of the Fund.

**“Subscription Day”** will be the Valuation day for all Classes, as further defined under 7.2 below, unless otherwise described in Appendix 1.

**“Sub-Data Processors”** means any sub-data processor described in Section 7.8 of the Prospectus.

**“Sub-Fund”** means a sub-fund of the Fund.

**“Sub-Investment Manager”** means Jupiter Asset Management Limited or such other entity appointed from time to time as sub-investment manager.

**“Sukuk”** means Shari’a-compliant alternative to bonds.

**“Redemption Day”** be the Valuation day for all Classes, as further defined under 7.5 below, unless otherwise described in Appendix 1.

**“Transaction Fees”** means in respect of each Sub-Fund the costs and expenses of buying and selling its portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction-related expenses.

**“Transferable Securities”** means shares and other securities equivalent to shares, bonds and other debt instruments, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.

**“UAE”** means the United Arab Emirates.

**“UCI(s)”** means undertaking(s) for collective investment.

**“UCITS”** means undertaking(s) for collective investment in transferable securities pursuant to Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC.

**“UCITS Directive”** means Directive 2014/91/EU of the European Parliament and of the Council of 23<sup>rd</sup> July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, as may be amended from time to time.

**“UK”** means the United Kingdom.

**“United States”** means the United States of America.

**“USD”** means United States Dollars.

**“Valuation Day”** means the Business Day as of which the net asset value per Share of a Sub-Fund or Class of Shares is determined, as set out in Appendix 1.

**“Valuation Point”** means the point in time at which the net asset value of a Class of Shares is calculated.

**“Zakat”** means the obligation that an individual has to donate a certain proportion of wealth each year to charitable causes.

## **4. General Information**

### **4.1 Organisation**

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a SICAV, incorporated under the Law of 2010 and listed on the official list of UCITS, authorised under Part I of the Law of 2010. The Fund’s registered office is at 49 avenue J.F. Kennedy, L-1855 Luxembourg. The Fund was incorporated in Luxembourg on 6 September 2013 for an unlimited period. The Articles of Incorporation were published in the *Mémorial, Recueil des Sociétés et Associations* (the “*Mémorial*”) on 18 October 2013. The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B 180066. The Articles of Incorporation are on file with the Chancery of the District Court of Luxembourg (*Greffé du Tribunal d’Arrondissement*).

The minimum capital of the Fund, as provided by law, which must be achieved within six months after the date on which the Fund has been authorized as a UCITS under Luxembourg law, shall be the equivalent in U.S. Dollar of EUR 1,250,000. The initial capital of the Fund is the equivalent in USD of 31.000 EUR divided into 31.000 Shares of no par value. The capital of the Fund is represented by fully paid up Shares of no par value. The share capital is at all times equal to the total net assets of all the Sub-Fund(s).

### **4.2 Structure of the Fund**

The Fund purports to invest the funds available to it in assets permitted by applicable law, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its assets.

The Fund comprises several Sub-Funds. The Fund offers investors within the same investment vehicle a choice of investment in one or more Sub-Funds, which are distinguished mainly but not only by their specific investment policy and objective and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in Appendices 1 and 2. The Board of Directors may, at any time, decide to create additional Sub-Funds and, in such case, this Prospectus will be updated by adding the details of such Sub-Fund(s) to Appendices 1 and 2.

For each Sub-Fund, the Board of Directors may decide to issue separate Classes whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, denomination, minimum subscription amount, dividend policy or such other distinctive feature as decided from time to time by the Board of Directors may be applied. Where different Classes are issued within a Sub-Fund, the details and features of each type of Class are described in Appendices 1 and 2.

Class A, B, C, E and G will be available to all investors under the conditions of minimum investment, top up and holding described in Appendix 2.

Class I and P are reserved for institutional investors within the meaning of article 174 of the Law of 2010.

Class R Shares are available to individuals in certain limited circumstances when investing through distributors, financial advisors, platforms or other intermediaries (together the “Intermediaries”) on the basis of a separate agreement or fee arrangement between the Global Distributor and an Intermediary. Class R Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

Class S Shares are available to individuals investing through UAE local banks distributing in-house managed systematic investment plans under the conditions of minimum investment described in Appendix 2.

#### 4.3 Meetings and Announcements

Unless otherwise stated in the notice of convocation, the Annual General Meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the fourth Thursday in July at 9 am . If such day is not a Business Day, the annual general meeting shall be held on the next following Business Day. Notices of all general meetings will be sent to registered Shareholders by post at least eight calendar days prior to the meeting at the addresses shown on the register of Shareholders. Such notices will include the meeting agenda and will specify the time and place of the meeting and the conditions of admission. Notices of meetings will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 67 and 67-1 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and the Articles of Incorporation. Each whole Share confers the right to one vote. The vote on the payment of a dividend (if any) on a particular Sub-Fund or Class requires a separate majority vote from the meeting of Shareholders of the Sub-Fund or Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund or Class must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund or Class concerned. Dividend announcements are described in Section 8.3 “Dividend Declaration”.

#### 4.4 Reports and Accounts

Audited annual reports as at 31<sup>st</sup> March shall be published within four months following the end of each accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. Annual and semi-annual reports shall be made available at the registered offices of the Fund and the Depositary during ordinary office hours, and online at [www.emiratesnbd.com/assetmanagement](http://www.emiratesnbd.com/assetmanagement).

The Fund’s accounting year ends on 31<sup>st</sup> March each year. The reference currency of the Fund is USD. The aforesaid reports will comprise consolidated accounts of the Fund expressed in USD as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund. These reports will be

prepared in accordance with the International Financial reporting Standards and interpretations issued and adopted by the International Accounting Standards Board.

#### 4.5 Allocation of Assets and Liabilities among Sub-Funds

Each Sub-Fund constitutes a separate portfolio. The assets and liabilities relating to each Sub-Fund are segregated from each other. No Sub-Fund will be liable for obligations incurred in relation to any other Sub-Fund. For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each Share of each Sub-Fund are applied in the books of the Fund to the pool of assets established for that Sub-Fund and to the assets/liabilities and income/expenditure attributable;
- (b) where any asset is derived from another asset, such financial derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool, provided that all liabilities, whichever Sub-Fund they are attributable to, are, unless otherwise agreed upon with the creditors, only binding upon the relevant Sub-Fund;
- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;
- (e) upon the payment of dividends to the Shareholders in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends. Under the Articles of Incorporation, the Board of Directors may decide to create within each Sub-Fund one or more Classes whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but where a specific sales or redemption charge structure, fee structure, denomination, minimum subscription amount or dividend policy may be applied to each Class. A separate net asset value, which will differ as a consequence of these variable factors, will be calculated for each Class. If one or more Classes have been created within the same Sub-Fund, the allocation rules set out above shall apply, as appropriate, to such Classes. The Board of Directors reserves the right to apply additional criteria as appropriate.

#### 4.6 Determination of the Net Asset Value of Shares

The net asset value per Share of each Sub-Fund is typically determined on each day which is a Business Day, although for certain Sub-Funds the net asset value per Share may be determined on a less frequent basis. The frequency of the valuation applicable to each Sub-Fund is set out in Appendix 1.

The net asset value of the Shares of each Class is determined in such Class's Reference Currency on each Valuation Day by dividing the net assets attributable to each Class by the number of Shares of such Class then outstanding. For the avoidance of doubt, the unit of a Reference Currency is the smallest unit of that currency (e.g. if the Reference Currency is USD, the unit is the cent). Fractions of units, calculated to three decimal places, may be allocated as required. The net assets of each Class are made up of the value of all the assets attributable to such Class less the total liabilities attributable to such Class calculated at such time as the Board of Directors shall have set for such purpose. The value of the assets of the Fund is determined as at the end of the relevant Valuation Day.

The actual calculation of the value of the assets will take place on the following Business Day and is determined in the following manner:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
- (b) the value of Transferable Securities and Money Market Instruments and any other assets which are quoted or dealt in on any stock exchange shall be based on the latest available closing price, and Transferable Securities and Money Market Instruments and any other assets traded on any Regulated Market or Other Regulated Market shall be valued in a manner as similar as possible to that provided for quoted securities;
- (c) for non-quoted assets or assets not traded or dealt in on any stock exchange or a Regulated Market or Other Regulated Market, as well as quoted or non-quoted assets on such other market for which no valuation price is available, or assets for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Board of Directors on the basis of foreseeable purchase and sale prices;
- (d) Money Market Instruments with a remaining maturity of 180 days or less will be valued by the amortized cost method, which approximates market value. Under this valuation method, the relevant Sub-Fund's investments are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount rather than at market value;
- (e) shares or units in underlying open-ended UCIs shall be valued at their last determined and available net asset value as reported or provided by such UCI or its agents or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis, including on the basis of their last unofficial net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that satisfactory due diligence has been carried out by the Investment Manager, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such unofficial net asset values. The Net Asset Value calculated on the basis of unofficial net asset values of the target UCI may differ from the Net Asset Value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the target UCI. The Net Asset Value is final and binding notwithstanding any different later determination. Units or shares of closed-ended UCIs will be valued at their last available stock market value;
- (f) the liquidating value of futures, forward and options contracts not traded on exchanges or on Regulated Markets or Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on Regulated Markets or Other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and/or Regulated Markets or Other Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- (g) the value of a credit default swap shall be determined by comparing it to the prevailing par market swap. A par market swap is one which can be initiated in the market today for no exchange of principal, and its deal spread is such that it results in the swap's market value being equal to zero. The spread between the initial default swap and



the par market swap is then discounted as an annuity using relevant risk-adjusted discount rates. Par market swap rates will be obtained from a cross section of market counterparties. Any other swaps shall be valued at their market value. The Fund is authorised to apply other appropriate valuation principles for the assets of the Fund and/or the assets of a given Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events, in order to reflect better the probable realisation value established with prudence and good faith.

(h) Interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.

(i) total return swaps will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments are made to reflect any differences between the total return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty. If no such market input data are available, total return swaps will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable be made. The Auditors will review the appropriateness of the valuation methodology used in valuing total return swaps. In any way the Company will always value total return swaps on an arm-length basis.

All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors.

(k) All other securities instruments and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

Shari'a compliant assets shall also be valued according with the above rules in so far as is applicable.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the net asset value. The net asset value per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Fund.

The liabilities of the Fund are described under section "Management and Fund Charges" and in the Articles.

#### 4.7 Temporary Suspension of Issues, Redemptions and Conversions

The determination of the net asset value of Shares of one or more Classes may be suspended during: (a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable; (c) any breakdown in the means of communication or computation normally employed in determining the price or

value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; (d) any period when the Fund 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 redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; (e) any other circumstance or circumstances beyond the control and responsibility of the Board of Directors where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Fund or its Shareholders might not otherwise have suffered.

The Board of Directors has the power to suspend the issue, redemption and conversion of Shares in one or more Classes for any period during which the determination of the net asset value per Share of the Sub-Fund(s) concerned is suspended by the Fund by virtue of the powers described above. Any subscription/redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected the Shares in question shall be subscribed/redeemed/converted on the first Valuation Day following the termination of the suspension period. Investors who have requested the subscription, redemption or conversion of Shares shall be informed of such suspension when such request is made. In the event where a suspension period exceeds a certain period determined by the Board of Directors, all Shareholders of the Class concerned shall be informed.

#### 4.8 Dissolution and Liquidation of the Fund, any Sub-Fund or any Class of Shares

The Fund and the Sub-Funds are incorporated for an unlimited period, unless otherwise provided in Appendix 1.

In the event that for any reason the value of the net assets in any Sub-Fund or the value of the net assets of any Class within a Sub-Fund has decreased to, or has not reached, an amount of US\$40,000,000 (which is determined by the Board of Directors to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or other such amount as may be determined by the Board of Directors from time to time), or if a change in the economical or political situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or Class, or in order to rationalise the Classes and/or the Sub-Funds offered, the Board of Directors may decide to redeem compulsorily all the Shares of the relevant Class or Classes issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect and therefore close or liquidate such Class or Sub-Fund.

The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the Shareholders at their addresses indicated in the register of Shareholders) prior to the effective date of the compulsory redemption and the publication and will indicate the reasons for, and the procedures of the compulsory redemption. Except where to do so would not be in the interests of the Shareholders, or could jeopardise equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may request redemption or exchange of their Shares free of charge (other than those retained by the Fund to meet realization expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Sub-Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes at their Net Asset Value (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by a simple majority of the validly cast votes.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the "*Caisse de Consignation*" on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The dissolution of the last Sub-Fund will result in the liquidation of the Fund.

However, the Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles and in compliance with the provision of the Company Law.

Liquidation of the Fund shall be carried out in compliance with the Company Law, the Law of 2010 and with the Articles.

#### 4.9 Merger of the Fund and of Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of the assets of the Fund or a Sub-Fund, whether as absorbing or absorbed party, with those of (i) another existing Sub-Fund within the Fund or another existing sub-fund within another Luxembourg or foreign UCITS, or of (ii) another Luxembourg or foreign UCITS.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 2010, in particular concerning the terms of the merger to be established by the Board of Directors and the information to be provided to the Shareholders.

The Board of Directors is competent to decide on the effective date of the merger. However, in accordance with the Law of 2010, where the Fund is the absorbed entity which, thus, ceases to exist as a result of the merger, the general meeting of Shareholders of the Fund must decide on the effective date of the merger. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Where the Fund or a Sub-Fund is involved in a merger under the circumstances described above, whether as absorbing or absorbed party, Shareholders will be entitled to request, without any charge other than those charged by the Fund or the Sub-Fund to meet divestment costs, the redemption of their Shares in the relevant Sub-Fund in accordance with the provisions of the Law of 2010.

The Fund or a Sub-Fund thereof may further absorb (i) another existing sub-fund within another Luxembourg or foreign UCI, or (ii) another Luxembourg or foreign UCI in compliance with the Law of 10 August 1915.

Notwithstanding the powers conferred to the Board of Directors by the preceding section, such a merger may be decided upon by a general meeting of the Shareholders of the Sub-Fund concerned for which there shall be no

quorum requirements and which will decide upon such a merger by resolutions taken by simple majority of the votes validly cast. The general meeting of the Shareholders of the Sub-Fund concerned will decide on the effective date of such a merger it has initiated within the Fund, by resolution taken with no quorum requirement and adopted at a simple majority of the votes validly cast.

#### 4.10 Division of Sub-Funds

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or that a change in the economic or political situation relating to the Sub-Fund concerned would justify it, the Board of Directors may decide to reorganise a Sub-Fund by dividing it into two or more Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Funds. Such publication will be made one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares free of charge before, the effective date.

#### 4.11 Amalgamation of Classes

In the event that for any reason the value of the assets in any Class has decreased to an amount determined by the Board of Directors (in the interests of Shareholders) to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Class concerned would have material adverse consequences on the investments of that Class or if the range of products offered to investors is rationalised, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The Fund shall send a written notice to the Shareholders of the relevant Class one month prior to the effective date of the amalgamation in order to enable the Shareholders to request redemption or exchange of their Shares, free of charge, during such period. This notice will indicate the reasons and the procedure for the amalgamation. Except where to do so would not be in the interests of Shareholders, or could jeopardise equality of treatment between the Shareholders, the Shareholders of the Class concerned may continue to request redemption or exchange of their Shares without any additional charges (other than those retained by the Fund to meet realisation expenses) prior to the effective date of the amalgamation.

#### 4.12 Material Contracts

The following material contracts have been entered into:

(a) A Management Company Services Agreement effective from 6 September 2013, as amended on 7 April 2017, between the Fund and the Management Company pursuant to which the latter acts as the management company of the Fund. Under this agreement, the Management Company provides management, administrative and distribution services, and risk management services to the Fund, subject to the overall supervision and control of the Board of Directors. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(b) An Investment Management Agreement dated 6 September 2013, as amended on 7 April 2017, between the Fund, the Management Company and Emirates NBD Asset Management Limited pursuant to which the latter acts as Investment Manager to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(c) A Sub-Investment Advisory Agreement dated 26 February 2014, as may be amended, between the Investment Manager and Jupiter Asset Management Limited pursuant to which the latter acts as Sub-Investment Manager in relation to the management of certain Sub-Funds as more fully disclosed in Appendix 1. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(d) A Global Distribution Agreement dated 6 September 2013 between the Fund, the Management Company and Emirates NBD Asset Management Limited pursuant to which the latter acts as Global Distributor to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(e) A Custody Agreement effective from 6 September 2013, as amended on 4 August 2016, between the Fund and State Street Bank Luxembourg S.C.A. pursuant to which the latter is appointed as Depositary of the assets of the Fund. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(f) An Administration Agreement effective from 6 September 2013 between the Fund, the Management Company and State Street Bank Luxembourg S.C.A., pursuant to which the latter is appointed as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent of the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and may be terminated by either party upon six months' written notice.

#### 4.13 Documents Available for Inspection

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund. Such reports form an integral part of this Prospectus. Copies of this Prospectus, the KIIDs and the latest financial reports are also available online at [www.emiratesnbd.com/assetmanagement](http://www.emiratesnbd.com/assetmanagement).

Procedures relating to the Management Company which Luxembourg regulation requires to be made available to investors for consultation are published on the following website:

<http://www.mdo-manco.com/about-us/legal-documents>.

#### 4.14 Management and Administration

The Fund is managed by MDO Management Company S.A. which is subject to the provisions of Chapter 15 of the 2010 Law.

The Management Company has been incorporated on August 2, 2003 as a *société anonyme* under Luxembourg law for an indeterminate period and is registered with the Luxembourg Trade Register (RCS) under number B 96744. Its registered seat is at 19, rue de Bitbourg, L-1273 Luxembourg. The last consolidated version of the articles of incorporation have been deposited with the RCS on April 8, 2014, and has been published on 7 June 2014 in the *Mémorial C, Recueil des Sociétés et Associations ("Mémorial")*, the official gazette of the Grand – Duchy of Luxembourg; its fully paid-up share capital amounts to EUR 2,450,000-. The names and legal documents of all funds managed are available at the domicile of the Management Company and on the website [www.mdo-manco.com](http://www.mdo-manco.com).

The conducting officers of the Management Company are responsible for the Management Company's daily business and operations.

The Management Company is responsible for the day-to-day operations of the Fund. In fulfilling its responsibilities set for by the Law of 2010 and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Fund and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties. The Management Company has delegated the following functions to third parties: investment management, transfer agency, administration, listing, as well as marketing and distribution.

The Management Company also acts as management company for other funds, in addition to the Fund. The list of funds managed by the Management Company is accessible on the following website: <http://www.mdo-manco.com/our-clients>.

The Management Company is responsible for the management and control of the Fund and has been appointed as such by the Board of Directors. Emirates NBD Asset Management Limited has been appointed as Investment Manager and Global Distributor. State Street Bank Luxembourg S.C.A. has been appointed to act as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of Incorporation of the Fund;

- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the Shareholders, and includes measures to avoid conflicts of interest;
- iv. 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.

The remuneration policy is determined and reviewed at least on an annual basis by a remuneration committee.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <http://www.mdo-manco.com/remuneration-policy>, a paper copy will be made available free of charge upon request.

#### 4.15 Board of Directors

The board of directors of the Fund is composed as follows.

##### **Salman Bajwa (English):**

Salman Bajwa joined Emirates NBD Asset Management in 2008, covering sales to Private Banking and Institutional clients, prior to heading up the Sales & Distribution function and subsequently taking on the leadership of the business in March 2017. In his previous role, he was instrumental in advancing the reach of the business, helping it to become the GCC's leading fund manager for wholesale and institutional clients. Salman established Emirates NBD Asset Management's institutional sales team in 2013 and the team has since been a key driver in a three-fold increase in assets under management (AuM).

Salman previously worked at UBS' Investment Bank in New York and London between 2002 and 2008. He also spent 5 years in the financial services division of the audit practice of PricewaterhouseCoopers in London and the Channel Islands, clearing all stages of the chartered accountancy ("ACA") exams. Salman holds a degree in Economics from the University of Warwick, UK.

##### **Timothy Denton (UAE):**

Timothy Denton is the Head of Trust and Wealth Structuring for Emirates NBD Bank. He is responsible for all of the offshore structuring for the private banking clients, as well as onshore and offshore structuring for corporates. He also has oversight of the Emirates NBD (Jersey) Trust Company. Prior to his current position, Tim was in similar roles with both Citi and Barclays private banks. In total, Tim brings over 23 years of wealth structuring, private banking and investment banking experience to the firm. He is a qualified Trust and Estate Planner and is the

chairman designate for the Middle East branch of the Society of Trust and Estate Planners (STEP Arabia). He holds a degree from the University of Surrey.

**Martin Vogel (Swiss):**

Martin Vogel is a Swiss attorney-at-law and an alumni of IMD and INSEAD. After having worked as a lawyer specialized in the areas of banking and finance law, he joined Bank Julius Baer & Co. Limited. in 1996, where his most recent role was Managing Director and Member of the Executive Management Committee of Julius Baer Asset Management in Zurich. He left the Julius Baer Group in 2008 to pursue his own professional career. Martin is currently CEO, Board Member and large shareholder of Thêta Sàrl (MDO Management Company S.A. is a wholly owned subsidiary of Thêta Sàrl and one of the largest independent substance and service providers for Luxembourg investment funds). Martin is also active in diverse fund associations and a regular speaker at international fund conferences.

**Mark Creasey (English)**

Mark Creasey is a Chartered Certified Accountant, qualifying with KPMG in Jersey in 1995. He has more than 25 years' experience in the finance industry. In 1998, he joined Standard Bank Jersey Limited, where he held a number of senior roles, including six years as a Director in their Funds division. In 2011 he moved to JTC Group Limited where he was a Director in the Fund services division. Since July 2015 he has been acting as an Independent Non Executive sitting on the boards of a number of collective investment funds. He has extensive experience in both conventional and Shari'a compliant structures. He is a fellow of the Chartered Association of Certified Accountants and is a Member of the Chartered Institute for Securities & Investment. He is also a director of Emirates Funds Limited and Emirates Portfolio Management PCC.

**4.16 Investment Manager, Sub-Investment Manager(s) and Global Distributor**

**Investment Manager and Global Distributor:**

Emirates NBD Asset Management Limited has been appointed as investment manager (the "Investment Manager") and global distributor (the "Global Distributor").

The investment management of the Fund is effected under the control and the final responsibility of the Management Company. In order to implement the investment policy of each Sub-Fund, the Management Company has delegated with the consent of the Fund, the management of the assets of the Sub-Funds to the Investment Manager.

Pursuant to the Investment Management Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the Sub-Funds' portfolios. The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for the compliance of the Sub-Funds with their investment policies and restrictions.

The Investment Manager is a limited company, based in Dubai International Financial Centre (the "DIFC") and regulated by the Dubai Financial Services Authority (the "DFSA"). Its primary activity involves the provision of



investment management services to various investment vehicles. The Investment Manager is a wholly owned subsidiary of Emirates NBD Bank PJSC.

The Investment Manager has also been appointed as Global Distributor by the Management Company to market and promote the activities of the Fund in areas where it is lawful to do so.

#### **Sub-Investment Manager(s):**

Pursuant to the Investment Management Agreement, the Investment Manager may delegate the management of the assets of each Sub-Fund to one or several sub-investment manager(s) (the “Sub-Investment Manager(s)”) subject to the prior approval of the Fund, the Management Company and the CSSF. The Sub-Investment Manager(s) may have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Investment Manager to purchase and sell securities as delegate for the Investment Manager and otherwise manage the relevant Sub-Fund(s)’ portfolios. The fees of each Sub-Investment Manager will be paid by the Investment Manager.

Pursuant to a sub-investment management agreement dated 26 February 2014, Jupiter Asset Management Limited has been appointed as Sub-Investment Manager in relation to the management of certain Sub-Funds as more fully disclosed in Appendix 1.

Jupiter Asset Management Limited was established in 1985 and Jupiter Fund Management Plc. was listed on the London Stock Exchange on 21<sup>st</sup> June 2010. As at 31<sup>st</sup> March 2017, the amount of the assets under management (AUM) was \$54.4bn. Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited are authorised and regulated by the Financial Conduct Authority in the United Kingdom, under the reference numbers 141274 and 122488, respectively.

Pursuant to a sub-investment management agreement dated 17 April 2016, UTI International Private Limited of 3, Raffles Place, #08-02, Bharat Building, Singapore 048617 has been appointed as Sub-Investment Manager in relation to the management of certain Sub-Funds as more fully disclosed in Appendix 1.

UTI International Private Limited was incorporated in Singapore on 15 November 2006 and is regulated by the Monetary Authority of Singapore in the conduct of financial services and investment management activities. UTI International Singapore is a fully owned subsidiary of UTI Asset Management Company (“UTI AMC”). UTI Asset Management Company Ltd is a company incorporated in India under the Companies Act, 1956. Its registered office is at UTI Tower, GN Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. UTI AMC was established in 1964, the pioneer of the asset management industry in India, by an Act of Parliament and set up by the Reserve Bank of India. It has an AUM of USD 46.55billion (as at 31<sup>st</sup> March 2017) and manages money for over 11 million clients. The firm provides support services to the Government of India for managing assets of USD 10 billion.

#### **4.17 Shari’a Compliance**

To ensure compliance with Islamic Shari’a principles, certain Sub-Funds (as defined as Shari’a compliant in Appendix 1) shall invest within the guidelines and restrictions as agreed and approved by the Investment

Manager's Shari'a Board (the "Shari'a Board"). The Investment Manager is regulated by the DFSA and has a category 2 license and license to operate as an Islamic window. The following individuals currently constitute the Shari'a Board. The composition of the Shari'a Board may change from time to time by the decision of the Board of Directors of the Investment Manager. Such a change will be duly notified to the CSSF immediately and the prospectus shall be amended accordingly.

**Dr Hussein Hamid Hassan**

**Chairman of the Shari'a Board**

Dr Hussein Hamid received his PhD in the Faculty of Shari'a at Al Azhar University in Cairo, Egypt in 1965. He also holds two law degrees from the International Institute of Comparative Law, University of New York and two additional degrees in Law and Economics from Cairo University. He served as Assistant Professor, Associate Professor and Professor of Shari'a in the Faculty of Law and Economics at Cairo University between 1960 and 2002. During his tenure at Cairo University, he was seconded to many academic and advisory missions to a number of educational institutions and heads of State throughout the Arabic and Muslim World, including Saudi Arabia, Pakistan, Kyrgyzstan, and Kazakhstan. Currently, he chairs or is member of the Shari'a boards of numerous Islamic financial institutions including Emirates NBD Asset Management Limited, Emirates Islamic Bank, Dubai Islamic Bank, National Bank of Sharjah, Islamic Development Bank, Dubai Islamic Insurance and Re-Insurance (Aman), Tamweel, AMLAK, the Liquidity Management Center and AAOIFI in Bahrain. He is the author of 21 books on Islamic law, Islamic finance, Islamic economics, social studies and art, in addition to more than 400 research articles on these subjects.

**Dr Ojeil Jassim AlNashmi**

**Currently a professor of Shari'a and Islamic Studies at Kuwait University**

Dr Ojeil AlNashmi received his PhD on "Principles of Islamic Jurisprudence" from Al-Azhar University in Cairo, Egypt in 1977. He is a member and the representative of Kuwait at the International Islamic Jurisprudence Assembly and serves on the Shari'a boards of a number of Islamic financial institutions in the GCC including Kuwait Finance House, Emirates Islamic Bank, Gulf Finance House, National Bank of Sharjah, AAOIFI and the Liquidity Management Center in Bahrain. He published many scholarly articles and studies in prominent periodicals on contemporary issues in Islamic finance and Jurisprudence. He also authored many books on the Principles of Islamic Jurisprudence and on Islamic education.

**Dr Ali Al-Qurra Daghi**

**Currently a Professor of Shari'a and Head of the Department of Principles of Islamic Jurisprudence in the School of Shari'a and Law at Qatar University.**

Dr Ali Al-Qurra Daghi received his PhD in the area of contracts and financial transactions from Al Azhar University in Cairo, Egypt in 1985. He presently serves on the Shari'a boards of many Islamic financial institutions including Emirates Islamic Bank and Dubai Islamic Bank in the UAE, Investment House and Investors Bank in Bahrain and First Investment in Kuwait. In addition, he is a founding member of many charitable organizations and international Islamic Jurisprudence bodies. He is the author of many research articles in contemporary issues in Islamic finance and banking. He has more than eight books published and six new books in various publication stages on various topics on Islamic Jurisprudence and Islamic Thought, with emphasis on contemporary issues.

The Shari'a Board is learned in matters relating to Shari'a and has both the capability and expertise necessary to evaluate categories of investments for conformity with Shari'a principles. Each Sub-Fund (as defined as Shari'a compliant in the Appendix 1), shall at all times invest in accordance with the rulings issued from time to time by the Shari'a Board.

In particular, the Shari'a Board shall study the Fund's Prospectus and relevant Supplements and the investment objectives and policies contained therein; give general advice to the Investment Manager regarding compliance with Islamic Shari'a and confirm that the investment activities of each relevant Sub-Fund comply with the principles and rules of Islamic Shari'a in all respects.

The Shari'a Board shall review the relevant Sub-Fund's activities on a periodic basis to ensure that the relevant Sub-Funds continue to conform to the Shari'a guidelines as set out from time to time. The relevant Sub-Funds will be reviewed and audited by the Shari'a Board for compliance at least annually. The Shari'a Board's function is also to review the financial records and books of all the Shari'a compliant Sub-Fund of the Fund (as defined in Appendix 1) to insure the profit calculation and distribution, as well as remuneration of the different parties to the respective Sub-Fund, are performed in a Shari'a compliant manner with regards to Shari'a compliant sub-funds (as defined in Appendix 1).

The Shari'a Board shall advise on cleansing of the Sub-Fund's income and Zakat calculation, in relation to the relevant Sub-Fund, where applicable.

The sum of all dividends/income purification amounts will be paid to a charity approved by the Shari'a Board. Details of the purification amounts and the relevant charity shall be further detailed in the Fund's annual report. It is the responsibility of each investor to ensure that the purification process of the Fund in respect of its Shari'a compliant Sub-Funds, as described in the Fund's annual report, corresponds to his/her investment intentions.

Shari'a compliant Sub-funds must at all times comply with applicable Luxembourg laws and regulations and in case of discrepancies between Luxembourg laws and regulations and Shari'a principles, Luxembourg laws and regulations prevail.

#### 4.18 Depositary

State Street Bank Luxembourg S.C.A. has been appointed as Depositary of all of the Fund's assets, comprising Transferable Securities, Money Market Instruments, cash and other assets. It may entrust the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions for their transactions, to such institutions or to one or more of its banking correspondents under its sole responsibility.

Custody of the Fund's assets has been entrusted to the Depositary, which fulfils the obligations and duties required by the Law and the relevant CSSF rules. The Depositary shall also be responsible for the oversight of the Fund to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations and the Depositary Agreement.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in the Law essentially consisting of:

- a) monitoring and verifying the Fund's cash flows;
- b) safekeeping of the Fund's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;

- c) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the articles of association of the Fund and applicable Luxembourg law, rules and regulations;
- d) ensuring that the value of the Shares is calculated in accordance with the articles of association of the Fund and applicable Luxembourg law, rules and regulations;
- e) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- f) ensuring that the Fund's income is applied in accordance with the articles of association of the Fund, and applicable Luxembourg law, rules and regulations; and
- g) carrying out instructions from the Fund or the Management Company unless they conflict with the articles of association of the Fund or applicable Luxembourg law, rules and regulations.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has appointed State Street Bank and Trust Company, with registered office at Copley Place, 100, Huntington Avenue, Boston, Massachusetts 02116, USA, an indirect parent company of the Depositary as its global sub-custodian to safekeep the assets of the Fund. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network. The Depositary reserves its right to change of global sub-custodian or to appoint other global sub-custodians. The list of the global sub-custodian(s) is available at the registered office of the Fund. <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>

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

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

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;

(iv) may provide the same or similar services to other clients including competitors of the Fund;

(v) may be granted creditors' rights by the Fund which it may exercise.

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

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

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

(1) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

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

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence

and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

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

The Depositary is liable to the Fund or to the shareholders for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary Bank shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay. The Depositary Bank shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the shareholders may invoke the liability of the Depositary Bank directly or indirectly through the Fund provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

The Depositary Bank will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary Bank's negligent or intentional failure to properly fulfill its obligations pursuant to the UCITS Directive.

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

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into on 4 August 2016 for an unlimited period of time from the date of its signature as amended from time to time. The Fund and the Depositary may terminate the Depositary Agreement on 6 months prior written notice; however, the Depositary shall continue to act as Depositary for up to two months pending a replacement depositary being appointed and that such replacement is appointed, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the shareholders of the Fund. The Depositary Agreement may be terminated on shorter notice in certain circumstances, including where a material breach of the Depositary Agreement by the other party has not been cured within thirty (30) calendar days' of that party being given written notice of the material breach. The Depositary Agreement may be terminated forthwith upon a party being declared bankrupt, entering into a composition with creditors, obtaining a suspension of payment, being put under court controlled management or being the subject of a similar measure; and in the event that the Depositary reasonably determines that the Fund has ceased to satisfy the Depositary's customary credit requirements.

As far as legally permitted, the Depositary Agreement contains provisions indemnifying the Depositary, and exempting the Depositary from liability, in certain circumstances.

#### 4.19 Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Listing Agent and Transfer Agent

State Street Bank Luxembourg S.C.A. is also in charge of the day to day administration of the Fund and is responsible for processing the issue, redemption and conversion of Shares and maintaining the register of Shareholders. In that respect it acts as Registrar, Administrative, Domiciliary, Paying, Transfer and Listing Agent, calculates the net asset value of the Shares and maintains the accounts of the Fund and lists the Shares of certain Sub-Funds on the Luxembourg Stock Exchange.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund. The relationship between the Management Company, the Fund and the Administrator is subject to the terms of the Administration Agreement. The Management Company, subject to the consent of the Fund, and the Administrator may terminate the Administration Agreement on 6 months' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, including by the Management Company with immediate effect where this is in the best interest of Shareholders.

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

State Street Bank Luxembourg S.C.A. is a *société anonyme* organised under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on January 19th, 1990, and its registered office is 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

## 5. Investment Policies

### 5.1 Investment Policy of each Sub-Fund

The Sub-Funds will seek to achieve their objectives, in accordance with the specific investment policies established for each Sub-Fund by the Board of Directors, by investing primarily in Transferable Securities that are considered by the Investment Manager or the Sub-Investment Manager, as the case may be to have the potential to meet the stated investment objective of the relevant Sub-Fund. The Board of Directors has determined the investment objective and policy of each Sub-Fund, as described in Appendix 1. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policy of each Sub-Fund must be in compliance with the limits and restrictions set forth in Section 10.1 "Investment Restrictions".

### 5.2 Financial derivative instruments and other invested assets

Subject to the specific investment restrictions established for each Sub-Fund under Appendix 1, each Sub-Fund may utilise financial techniques and instruments for investment purposes, hedging purposes and efficient portfolio management such as securities lending and borrowing transactions and repurchase and reverse repurchase transactions. Such portfolio strategies may include transactions in financial futures contracts and options thereon.

The Sub-Funds may also engage in transactions in options, 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. 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. The Sub-Funds may hold such ancillary liquid assets as the Investment Manager or the Sub-Investment Manager, as the case may be considers appropriate. Each Sub-Fund may also engage in securities lending and enter into repurchase and reverse repurchase agreements in compliance with the applicable regulations and relevant mandate.

A Sub-Fund will only enter into the aforementioned transactions with financial institutions specialised in such transactions and deemed appropriate by the Investment Manager in accordance with its internal approval policies (and subject to its ongoing review). Such transactions shall be entered into only in accordance with the standard terms laid down by the ISDA. The ISDA has produced standardised documentation for such transactions under the umbrella of its ISDA Master Agreement. Any legal restrictions will be applied to the issuer of the derivative instrument as well as to the underlying thereof. When using the techniques and instruments described in the preceding paragraphs, the Sub-Funds must comply with the limits and restrictions set forth in Section 10.1 “Investment Restrictions”.

Such techniques and instruments shall be used only to the extent that they do not affect the Sub-Funds’ investment objectives and policies. Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, such techniques and transactions will be carried out directly by the Fund acting on behalf of the relevant Sub-Funds, with no intermediary or third party being involved. Therefore, there will be no intermediary or third party fees paid in connection with efficient portfolio management techniques. Information on other direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary Bank, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report. In any event, all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

None of the Sub-Funds have as a core strategy to achieve their investment objective through the entering into one, or several, single total return swaps or similar financial derivative instruments. However, the Sub-Funds may, on an ancillary basis, gain exposure to financial indices or assets which are in line with their investment objectives through one or several total return swaps or similar financial derivative instruments. The Sub-Funds will only enter into such instruments with first class regulated financial institutions specialized in such types of transactions. The counterparties will have no discretion as to the composition or management of the Sub-Fund assets or underlyings thereof. The identity of these counterparties will be disclosed in the annual report of the Fund.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of



their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary Bank, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report.

All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

In addition to the above, the Sub-Funds which are Shari'a compliant can only obtain such exposures after prior approval from the Shari'a Board.

Each Sub-Fund may further invest, within the 10% limit in relation to other Transferable Securities and Money Market Instruments pursuant to Article 41(2) (a) of the Law of 2010 as set out in Section 10.1.2(a), up to 10% of its net assets in loan participations notes and/or loan assignments provided such instruments constitute Money Market Instruments normally dealt in a regulated market or on any Other Regulated Market, are liquid and have a value that may be accurately determined at any time. Such loans are deemed to constitute Money Market Instruments (within the meaning of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010) normally dealt in on the money market where they fulfill one or more of the following criteria:

- (a) they have a maturity at issuance of up to and including 397 days;
- (b) they have a residual maturity of up to and including 397 days;
- (c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; or
- (d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in items (a) or (b) above, or are subject to a yield adjustment as referred to in item (c) above.

Such loans are deemed to be liquid where they can be sold at limited cost in an adequately short time frame, taking into account the obligation of the relevant Sub-Fund to repurchase its Shares at the request of any Shareholder. Such loans are deemed to have a value which can be accurately determined at any time where such loans are subject to accurate and reliable valuations systems, which fulfill the following criteria:

- (a) they enable the relevant Sub-Fund to calculate the net asset value in accordance with the value at which the loan held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (b) they are based either on market data or on valuation models including systems based on amortised costs.

Investors should note that assets priced on an amortised basis may have a mark to market adjustment on realization and this could lead to losses on disposal.

### 5.3 Global Exposure

The global exposure of the Sub-Funds is measured by either the Value at Risk (VaR) methodology or the commitment approach.

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Funds is subject to periodic stress tests but the total level of risk is not expected to exceed the sum of the notionals.

The exposure of a Sub-Fund may further be increased by transitory borrowings not exceeding 10% of the assets of a Sub-Fund. The method used to calculate the global exposure and the expected level of leverage is calculated in accordance with the applicable regulations for each Sub-Fund are set out in Appendix 1.

The Global Risk determination process in relation to the derivatives in the commitment approach is executed in accordance with applicable laws and regulations.

Under the commitment approach a Sub-Fund's Financial derivative positions are covered into the market value of the equivalent position in the underlying asset or by the national value or the price of futures contracts where they are more conservative. The Sub-Fund's global exposure will be limited to 100% of its Net Asset Value. Netting and hedging are permitted. The netting and hedging policy is in line with applicable laws and regulations.

## **6. Risk Factors**

### **6.1 General**

This Section 6 explains some of the risks that apply to the Sub-Funds. It does not purport to be a complete explanation and other risks may also be relevant from time to time. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Fund. Past performance is not indicative of future performance. There is no assurance that the investment objective of any Sub-Fund will actually be achieved. The risks which a prospective investor should take into account includes risks which are general to all Sub-Funds and those which are specific to certain Sub-Funds and arise in respect of the investment objective, policy and strategy which is adopted in relation to a specific Sub-Fund. Appendix 1 sets out which of the risk factors set out below are particularly relevant to each Sub-Fund.

### **6.2 Interest Rate Risk**

As nominal interest rates rise, the value of securities held by a Sub-Fund may decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Inflation indexed securities decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar durations.

### 6.3 Counterparty Credit Risk

A Sub-Fund may be exposed to companies which act as a service provider, counterparty or guarantor when entering into over-the-counter markets in contracts. Their inability or unwillingness to honour obligations can subject a Sub-Fund to credit risk of losses incurred from late payments, failed payments and default.

### 6.4 Economic Risk

The value of a Sub-Fund may decline due to factors affecting market conditions generally or particular industries represented in the markets. The value of a security held by a Sub-Fund may decline due to an actual or perceived change in general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict due to speculation in inflationary, fiscal and monetary factors.

### 6.5 Issuer Risk

An issuer of securities' inability or unwillingness to honour obligations can subject a Sub-Fund to the risk of losses. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing.

### 6.6 Liquidity Risk

Certain investment positions in which the Sub-Funds will have an interest may be less liquid. The Sub-Funds may within the limits of the Law of 2010 invest in non-transferable securities, non-publicly traded securities or securities with a lack of trading volume. These investments could prevent the Sub-Fund from liquidating unfavourable positions promptly and subject the Sub-Fund to substantial losses. Such investments could also impair the ability of Shareholders to collect redemption proceeds in a timely manner and Shareholders may incur a dilution adjustment. During extreme market conditions securities that would normally be liquid may become less liquid and it may be difficult for Shareholders to collect redemption proceeds in a timely manner or Shareholders may incur a dilution adjustment. Assets amortised may not be readily realizable and may result in losses on premature realization.

### 6.7 Currency Risk

A Sub-Fund may be exposed to currency exchange risk where the assets and income are denominated in currencies other than the Reference Currency of the Sub-Fund. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's investments to decline or increase. Currency exchange rates may fluctuate significantly over short periods of time. They are generally determined by supply and demand in the currency exchange markets and the relative merits of investment in

different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention (or failure to intervene) by governments or central banks, or by currency controls or political developments.

A Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in a country's currency exchange rates. A Sub-Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Reference Currency of that Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Reference Currency of the Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. Therefore the successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

#### 6.8 Currency Risk – Hedged Share Class

A Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of a Class denominated in a currency other than the Reference Currency of the Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the Reference Currency of the Sub-Fund in exchange for the currency in which the Class is denominated. While the Sub-Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Sub-Fund and the hedged Class. It may also result in an increase in the total expense ratio. The hedging strategies may be entered into whether the Reference Currency of a Sub-Fund is declining or increasing in value relative to the relevant currency of the hedged Class and so, where such hedging is undertaken it may substantially protect investors in the relevant hedged Class against a decrease in the value of the Reference Currency relative to the hedged Class currency, but it may also preclude investors from benefiting from an increase in the value of the Reference Currency.

#### 6.9 Custodial Risk

A Sub-Fund may invest in markets where depositary and/or settlement systems are not fully developed. The assets of the Sub-Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the depositary will have no liability, provided the depositary has acted in accordance with its duties of supervision and control as per applicable regulation.”.

#### 6.10 Valuation Risk

A Sub-Fund's assets comprise mainly of quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, there is a risk that where the Sub-Fund invests within the limits

of the 2010 Law in unquoted and/or less liquid investments the values at which these investments are realised may be significantly different to the estimated fair values of these investments.

#### 6.11 Credit spread risk

A Sub-Fund's investments may be adversely affected if any of the issuers it is invested in are subject to an actual or perceived deterioration to their credit quality. Any actual or perceived deterioration may lead to an increase in the credit spreads of the issuer's securities.

#### 6.12 Operational Risk

A Sub-Fund's investments may be adversely affected due to the operational process of the Sub-Fund. A Sub-Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events.

#### 6.13 Regulatory, Business, Legal and Tax

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Sub-Funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and may be changed with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from region to region.

#### 6.14 Conflicts of Interest

The Management Company and the various third parties to which the Management Company has delegated its functions may have conflicts of interest in relation to their duties to the Fund. The Management Company will, however, ensure that all such potential conflicts of interest are resolved fairly and in the best interests of the Shareholders in so far as it is possible to do so.

#### 6.15 Emerging Markets

A Sub-Fund may invest in less developed or emerging markets. These markets may be volatile and less liquid and the investments of the Sub-Fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government

regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a Sub-Fund investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of Shares of that Sub-Fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure. There may be less government supervision and legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

#### 6.16 Fixed Income Securities – General

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower rated securities will usually offer higher yields than higher rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Investors should note that credit ratings may not necessarily reflect the true risk of an investment and that the Investment Manager or the Sub-Investment Manager, as the case may be may use its own set of credit rating criteria to perform its credit analysis, which may differ from the criteria used by the credit rating agencies.

#### 6.17 Sovereign Bonds

A Sub-Fund may invest in debt obligations issued or guaranteed by governments or their agencies (sovereign bonds). The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds. Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

## 6.18 Corporate Bonds

A Sub-Fund may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

## 6.19 Investment Grade Rated Securities

A Sub-Fund may invest in investment grade rated securities. Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and may subsequently downgrade the rating if economic circumstances impact the relevant bond issues.

## 6.20 Sub-Investment Grade/High Yield

A Sub-Fund may invest in sub-investment grade/high yield securities. These fixed income securities (rated BB+ or lower by Standard & Poor's, Ba1 or lower by Moody's or an equivalent rating from any other recognised rating agency) typically are subject to greater market fluctuations and to greater risk of loss of income and principal, due to default by the issuer, than are higher rated fixed income securities. Lower rated fixed income securities' values tend to reflect short term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher rated fixed income securities' values. In addition, it may be more difficult to dispose of, or to determine the value of, high yield fixed income securities. There are fewer investors in lower rated securities, and it may be harder to buy and sell securities at an optimum time. Fixed income securities rated BB+ or Ba1 or lower, or an equivalent rating from any other recognised rating agency, are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

## 6.21 Distressed Debt Securities

A Sub-Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The

level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high.

There is no assurance that the Investment Manager or the Sub-Investment Manager, as the case may be will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Sub-Fund adequately for the risks assumed. Investing in distressed debt can also impose duties on the Investment Manager or the Sub-Investment Manager which may conflict with duties which it owes to a Sub-Fund.

A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Sub-Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Sub-Fund's assets in the company or taking an active role in managing or advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Sub-Fund. In such cases, the Investment Manager may also have discretion to exercise any rights attaching to the Sub-Fund's investments in such a company. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

## 6.22 Convertible Bonds

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

## 6.23 Contingent Convertible Bonds

Certain Sub-Funds may invest in contingent convertible bonds, as described in their respective investment policy. A contingent convertible bond is a debt instrument which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.



Contrary to typical capital hierarchy, contingent convertible bond investors may suffer a loss of capital before equity holders.

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

There are no widely accepted standards for valuing contingent convertible bonds. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

#### 6.24 Securitised Bonds

Certain Sub-Funds may have exposure to a wide range of asset backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Asset backed securities and mortgage backed securities are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. Asset backed securities and mortgage backed securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

#### 6.25 Local Currency Securities

A Sub-Fund may invest in local currency securities. Such investments will be subject to the risks related to investing in emerging market securities as described above. In addition, when purchasing local Currency securities, exchange rate fluctuations may occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement demands.

#### 6.26 Subordinated Debts

A Sub-Fund may invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been re-paid, the chance of receiving any repayment on insolvency is reduced and therefore subordinated debt represents a greater risk to the investor.

#### 6.27 Equities

A Sub-Fund may invest in equity or equity-related investments. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived

adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

#### 6.28 Loans

A Sub-Fund may invest in fixed and floating rate loans from one or more financial institutions ("lender(s)") to a borrower ("borrower") by way of (i) assignment/transfer of; or (ii) participation in the whole or part of the loan amount outstanding. The Sub-Funds will invest only in loans that qualify as Money Market Instruments for the purposes of the Law of 2010. In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Participations typically will result in the Sub-Fund having a contractual relationship only with a lender as grantor of the participation but not with the borrower. The Sub-Fund acquires a participation interest only if the lender(s) interpositioned between the Sub-Fund and the borrower is determined by the Investment Manager or the Sub-Investment Manager, as the case may be to be creditworthy. When purchasing loan participations, a Sub-Fund assumes the economic risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary. Loan assignments typically involve a transfer of debt from a lender to a third party. When purchasing loan assignments, a Sub-Fund assumes the credit risk associated with the corporate borrower only. Such loans may be secured or unsecured. Loans that are fully secured offer a Sub-Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of the loan or other indebtedness, a Sub-Fund has direct recourse against the corporate borrower, the Sub-Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower. The loan participations or assignments in which a Sub-Fund invests may not be rated by any internationally recognized rating service.

#### 6.29 Unlisted Securities

A Sub-Fund may invest in unlisted securities within the investment restrictions as further detailed under point 10 below. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Sub-Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. Additional risks in relation to unlisted financial derivatives are set out below.

### 6.30 Derivatives

A portion of a Sub-Fund's investments may consist of financial derivative instruments, to reduce risks or costs or to generate additional capital or income. Specific Sub-Funds may use more complex derivative investment instruments. The use of derivatives by each Sub-Fund is set out in more detail in Appendix 1. Generally, derivative instruments are financial contracts whose value depend upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, high yield debt securities, interest rates, currencies or currency exchange rates and related indexes. Examples of derivative instruments which a Sub-Fund may use include options contracts, futures contracts, options on futures contracts, swap agreements (including credit swaps, credit default swaps, total return swaps, options on swap agreements, straddles, forward currency exchange contracts and structured notes). A Sub-Fund's use of derivative instruments involves risks different from, or possibly greater than, the risk associated with investing directly in the underlying asset. The following sets out important risk factors investors should understand and consider in relation to derivative instruments.

#### *Counterparty risk*

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded securities, futures and options, forwards, swaps (including total return swaps) or contracts for difference. Such OTC financial derivative instruments will be safe-kept with the Depositary. Entering into transactions on the OTC markets will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of the contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investments during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques 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. However, this risk is limited in view of the limits and rules laid down in Sections 10.1 - "Investment Restrictions" 10.2 and "Investment Techniques and Instruments". In particular the Investment Manager or the Sub-Investment Manager, as the case may be, will aim to mitigate the counterparty risk by receiving collateral in accordance with such section.

#### *Leverage Risk*

Derivative instruments allow the Sub-Funds to gain a larger exposure to asset values than the amount the Sub-Funds invest. As a result, losses on derivative instruments can exceed the amount invested in them which may impact the value of the Sub-Funds as a whole.

### 6.31 Management risk

Derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with securities. The use of a derivative instrument requires an understanding not

only of the underlying asset but also of the derivative instrument itself, without the benefit of observing the performance of the derivative instrument under all possible market conditions.

### 6.32 Liquidity risk

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is less liquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

### 6.33 Market and Other Risks

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to a Sub-Fund's interest. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Sub-Fund investments.

### 6.34 Unlisted instruments

For unlisted instruments, or over-the-counter derivative instruments, where two parties contract directly rather than through an exchange, a Sub-Fund will usually have a contractual relationship only with the counterparty of such unlisted instrument and not the reference obligor on the reference obligation. The Sub-Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation. The Sub-Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the Sub-Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, the Sub-Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of over-the-counter derivative instruments entered into with any one counterparty will subject the Sub-Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor. Additionally, while the Investment Manager or the Sub-Investment Manager, as the case may be expects that the returns on an over-the-counter derivative instrument will generally reflect those of the related reference obligation, as a result of the terms of the over-the-counter derivative instrument and the assumption of the credit risk of the over-the-counter derivative instrument counterparty, an over-the-counter derivative instrument may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default.

Additionally, when compared to the reference obligation, the terms of an over-the-counter derivative instrument may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination

(including a put or call) other than pursuant to a credit event (as defined therein) of the over-the-counter derivative instrument, the terms of the over-the-counter derivative instrument may permit or require the issuer of such over-the-counter derivative instrument to satisfy its obligations under the over-the-counter derivative instrument by delivering to the relevant Sub-Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

#### 6.35 Credit Linked Notes

Credit linked notes and similar structured notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. In the event that the counterparty (structurer of the note) defaults, the risk to the Sub-Fund is to that of the counterparty, irrespective of the value of the underlying security within the note. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a credit linked note or similar notes can be less than that for the underlying security, a regular bond or debt instrument, and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

#### 6.36 Securities Lending, Borrowing Transactions and Repurchase Agreements

Securities lending transactions and repurchase agreements involve additional risks to financial derivative instruments in that: (i) 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 realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements or a deterioration in the credit rating of issuers of the collateral; (ii) locking cash in transactions of excessive size or duration, delays in recovering cash placed out or difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment, which may entail liquidity risks, (iii) in the event of the insolvency of the counterparty or it is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. The Sub-Fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

#### 6.37 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity

of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in re-investing cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

#### 6.38 Eurozone Breakup / Failure of Euro

Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Eurozone by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Fund's investments as well as on the ability of the Fund's counterparties to fulfil their obligations. In addition, countries may impose capital control which could impact the Fund's ability to repatriate proceeds. Legal uncertainty may render hedging arrangements ineffectual.

#### 6.39 Investment Funds

The investments of the Sub-funds in other investment funds may result in an increase of total operating, administration, depositary, management and performance fees/expenses. However the Investment Manager or the Sub-Investment Manager, as the case may be will seek to negotiate a reduction in Management Fees and any such reduction will be for the sole benefit of the relevant Sub-Fund.

#### 6.40 Shari'a Compliance

Certain Sub-Funds of the Fund may seek to invest in accordance with generally accepted Shari'a compliant principles. Such investment policy may restrict the investable universe of the Investment Manager which may, in turn, inhibit returns. Additionally, should an asset be deemed non-compliant, or move from a compliant to a non-compliant status, cleansing of the relevant Sub-Fund's assets may be required. This may dilute returns when compared to a conventional counterpart.

Shari'a compliant Sub-funds must at all times comply with applicable Luxembourg laws and regulations and in case of discrepancies between Luxembourg laws and regulations and Shari'a principles, Luxembourg laws and regulations shall prevail.

#### 6.41 Sukuk

Price changes in Sukuk are influenced predominantly in the same way as conventional fixed income securities by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market

interest rates fall. The price changes also depend on the term or residual time to maturity of the Sukuk. Furthermore, the sukuk market remains a nascent market which can create low levels of liquidity and increased transaction costs. Sukuk may be backed by Sovereign or Corporate issuers. In general, Corporate issuers represent an increased credit risk to investors and may display greater price volatility.

Funds investing in Sovereign Sukuk issued by governments or government related entities from countries referred as Emerging or Frontier Markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economic uncertainties, repatriation restrictions, etc).

#### 6.42 Common Reporting Standard (“CRS”)

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard (“CRS”) as set out in the Luxembourg law of 18 December 2015 on the Common Reporting Standard (the “CRS Law”).

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

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

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

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

to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

## **7. The Shares**

### **7.1 General**

The Shares of each Sub-Fund will be offered in registered form and will be issued without certificates. Fractions of Shares will be issued up to three decimal places. All Shares are of no par value and must be fully paid upon issue. Subject to the restrictions described below, Shares of each Class of each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to that Class. The rules governing such allocation are set forth below. The Shares carry no preferential or pre-emptive rights, and each Share entitles its registered holder to one vote at all general meetings of Shareholders and at all meetings of the Sub-Fund in which such Share is held. Shares redeemed by the Fund become null and void. The Board of Directors may restrict or prevent the ownership of Shares by any person, firm or corporation if the ownership is such that it may be contrary to the interests of the Fund or of the majority of its Shareholders or of any Sub-Fund or Class therein. Where it appears to the Board of Directors that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Fund may proceed to compulsorily redeem all Shares so owned. The Board of Directors may fix minimum subscription amounts for each Class, which, if applicable, are detailed below in Section 7.3 "Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts".

Further information in relation to the subscription, conversion and redemption of Shares is set out below.

### **7.2 Subscription for Shares**

Subscription day for all Classes will be the Valuation day. Notice must be received by the Administrator by 12:00 CET on the business day prior to the Subscription day; unless such other notice period is agreed by any one Director from time to time or is specified separately for any Sub-fund in Appendix 1 (the "Dealing Cut Off") and except if subscriptions are made through an Agent. In such case, orders for subscriptions may have to be received within a different timeframe, in which case the Agent will inform the investor of the relevant procedure. Shares of each Class shall be allotted at the net asset value per Share of such Class determined as of the applicable Valuation Day, plus any applicable sales charge.

The applicable sales charge for each Class of each sub fund has been detailed in appendix 2.

Payment for Shares must be received by the Administrator within three business days following the Subscription day. The Board of Directors reserves the right to accept or refuse any application in whole or in part and for any reason. The Fund may also limit the distribution of Shares of a given Class or Sub-Fund to specific countries. The issue of Shares of a given Class shall be suspended whenever the determination of the net asset value per Share of such Class is suspended by the Fund (see Section 4.7 "Temporary Suspension of Issues, Redemptions and Conversions").



The Fund may accept payment for subscriptions in a Sub-Fund in the form of securities and other instruments, provided that such securities or instruments in the opinion of the Investment Manager or the Sub-Investment Manager, as the case may be comply with the investment objectives and policies of such Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Fund's Auditor (*réviseur d'entreprises agréé*) which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other instruments shall be borne by the relevant Shareholders. Subscriptions in kind will have to be previously and expressly authorized by the Board of Directors of the Fund, the Investment Manager and the Sub-Investment Manager, as the case may be.

The Fund, the Management Company and the Registrar and Transfer Agent will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering, as they may be amended or revised from time to time, and will furthermore adopt procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking. As a result, the Registrar and Transfer Agent has to ensure that the identity of subscribers who are individuals (demonstrated by a certified copy of their passport or identification card) or of subscribers who are not individuals (demonstrated by a certified copy of their articles of incorporation or equivalent documentation) or the status of financial intermediaries (demonstrated by a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorisation delivered by the competent local authorities) are disclosed to the Fund. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

Confirmation of completed subscriptions will be mailed, at the risk of the Shareholder, to the address indicated in the Shareholder's application, within 10 Business Days following the issue of Shares. The Global Distributor may enter into agreements with certain distributors pursuant to which they agree to act as, or appoint nominees for, investors subscribing for Shares through their facilities (distribution and nominee agreements). In such capacity the distributor may arrange subscriptions, conversions and redemptions of Shares in a nominee name on behalf of individual investors and request the registration of such operations on the register of Shareholders of the Fund in such nominee name. The nominee/distributor maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Fund.

### 7.3 Class Descriptions, Eligibility for Shares, Minimum Subscription and Holding Amounts

The Board of Directors may from time to time decide to create within each Sub-Fund different Classes which may have any combination of the following features:

Each Sub-Fund may contain one or more of the following Classes: A, B, C, E, G, I, P, R and S. These Classes may differ in their minimum initial and additional subscription amounts, minimum holding amount, eligibility requirements, and applicable fees and expenses, as detailed in Appendices 1 and 2.

Each Class, where available, may be offered in the Reference Currency of the relevant Sub-Fund, or may be denominated in any other currency as determined from time to time by the Board of Directors. The currency denomination of each Class will be represented in the name of the Class by a short form reference to such currency. Classes not denominated in the Reference Currency of the relevant Sub-Fund may be hedged against the Reference Currency of such Sub-Fund as further described in the relevant Appendix.

## Hedged Currency Classes

A Sub-Fund does not hold a separate portfolio of assets relating to each Class of the same Sub-Fund. The assets and liabilities of each Class are allocated on a percentage basis. In the case of hedged currency Classes, a Sub-Fund may incur liabilities in connection with currency hedging transactions carried out in relation to and for the benefit of a single Class. With respect to Sub-Funds with different currency Classes, currency hedging transactions for one Class may in extreme cases adversely affect the net asset value of other Classes within the same Sub-Fund.

## Initial Offering Price

The initial offering price for the respective currencies of each Class of each Sub-Fund can be obtained from the registered office of the Fund or from the Registrar and Transfer Agent upon request.

## Minimum Subscription and Holding Amount and Minimum Additional Subscription Amount

The minimum subscription amount, minimum holding amount and minimum additional subscription amount requirements in relation to the relevant Class type are stated in Appendix 2. For Classes available in any currency not listed in Appendix 2, the minimum subscription amount, minimum holding amount and minimum additional subscription amount can be obtained online at [www.emiratesnbd.com/assetmanagement](http://www.emiratesnbd.com/assetmanagement), from the registered office of the Fund or from the Registrar and Transfer Agent upon request. Where no minimum amount is specified for a particular Class, no minimum amount is applicable. The availability of any Class may differ from Sub-Fund to Sub-Fund.

Where a Shareholder wishes to add to its holding in a given Class, the additional subscription amount must be at least the amount set out in Appendix 2 (or specified by directors of the Fund). The Board of Directors is not obliged to accept additional subscriptions falling below the specified amount.

Any one Director has the discretion, from time to time, to waive any applicable minimum subscription amounts. The Board of Directors may, at any time, decide to compulsorily redeem all Shares from Shareholders whose holdings would, as a result of application for partial redemption of its Shares, be less than the minimum subscription amount or who consequently fail to satisfy any other applicable eligibility requirements set out in Appendix 2. In such case, the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

## 7.4 Conversion of Shares

Subject to any suspension of the determination of the net asset values concerned, Shareholders have the right to convert all or part of their Shares of any Class into Shares of the same Class in another Sub-Fund or into Shares of another existing Class of the same or another Sub-Fund by applying for conversion in the same manner as for the issue of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription amounts) applicable to the Class into which the conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum

subscription amount specified in Appendix 2, the Fund may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum subscription amount, the Shareholder may be deemed (if the Fund so decides) to have requested the conversion of all of its Shares.

The number of Shares issued upon conversion will be based upon the respective net asset values of the two Classes concerned on the Valuation Day in respect of which the conversion request is processed.

Requests for Conversion between Classes in the same Sub-Fund:

For Conversions between different Classes in the same Sub-Fund, conversion requests received in good order prior to 12:00 CET on the business day prior to a Valuation Day will be processed on that Valuation Day, except if conversions are made through an Agent. In such latter case, the Agent will inform the investor of the relevant procedure. Requests received after 12:00 CET on any business day prior to a Valuation Day will be deferred to the next Valuation Day in the same manner as for the issue and redemption of Shares.

Requests for Conversion between Classes in different Sub-Funds

For Conversions between Classes in different Sub-Funds, conversion requests received in good order prior to 12:00 CET on the business day prior to a common Valuation Day will be processed the following Valuation Day. Requests received after 12:00 CET on the business day prior to a common Valuation Day will be deferred to the following common Valuation Day in the same manner as for the issue and redemption of Shares.

For the avoidance of doubt, for conversions between Classes in different Sub-Funds, the notification period for conversion requests shall be the same as the notification period for redemptions applicable to the Sub-Fund from which conversion is requested. The number of Shares issued upon conversion will be based upon the respective net asset value of the Shares of the relevant Sub-Funds on the Valuation Day in respect of which the conversion request is accepted and will be calculated as follows:

$$A = (B \times C \times D) / E$$

A is the number of Shares to be allocated in the new Sub-Fund/Class

B is the number of Shares to be converted in the original Sub-Fund/Class

C is the net asset value on the applicable Valuation Day of the Shares to be converted in the initial Sub-Fund/Class

D is the exchange rate applicable on the effective transaction day for the currencies of the two Sub-Funds/Classes

E is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

After the conversion, the Registrar and Transfer Agent will inform the Shareholder(s) as to the number of new Shares obtained as a result of the conversion, as well as the net asset value.

## 7.5 Redemption of Shares

Any Shareholder may apply for redemption of its Shares in part or in whole on any business day preceding a Valuation Day, by 12:00 CET, except if redemptions are made through an Agent. In such case, the Agent will inform

the investor of the relevant procedure. Redemptions shall be effected at the net asset value per Share of the relevant Class determined on the applicable Valuation Day, minus any applicable adjustments for swing pricing. Redemption payments will be made in the Reference Currency of the relevant Class and the Administrator will issue payment instructions to its correspondent bank for payment normally no later than three Business Days after the relevant Valuation Day. The Board of Directors reserves the right in exceptional circumstances to extend the period for payment of redemption proceeds to such period, not exceeding 10 Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or other relevant constraints in the market in which a substantial part of the assets of a Sub-Fund are invested or in exceptional circumstances where a Sub-Fund is unable to meet a redemption request within three Business Days after the relevant Valuation Day. Any Shareholder may elect to redeem Shares in specie, provided that the Fund determines that the redemption would not be detrimental to the remaining Shareholders and the redemption is effected in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Fund's Auditor (*réviseur d'entreprises agréé*) which shall be available for inspection. Any costs incurred in connection with redemptions in kind shall be borne by the relevant Shareholders. Redemptions in kind are subject to the prior and express authorization of the Board of Directors or its duly appointed delegate and the relevant Shareholder.

If, as a result of a redemption, the value of a Shareholder's holding falls below the relevant minimum holding amount, that Shareholder may be deemed (if the Board of Directors so decides) to have requested redemption of all of its Shares.

Shareholders are required to notify the Registrar and Transfer Agent immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or which may otherwise be detrimental to the interests of the Fund. If the Board of Directors becomes aware that a Shareholder (a) is a US Person or is holding Shares for the account of a US Person, (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or which may otherwise be detrimental to the interests of the Fund, the Board of Directors may redeem the Shares in accordance with the provisions of the Articles of Incorporation. Additionally, if requests for redemption of more than 10% of the total number of Shares in issue of any Sub-Fund are received, subject to the restrictions specified above, the Board of Directors may decide that such redemption requests be deferred for a period considered to be in the best interest of the Sub-Fund, from the date the relevant redemption requests were received to allow for the disposal of assets by the relevant Sub-Fund in order to realise the proceeds required to meet such requests. Redemption requests which have not been dealt with because of such deferral will be given priority as if the request had been made for the next following Valuation Day until completion of full settlement of the original requests. Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund for the reasons listed under section 4.7 ("Temporary Suspension of Issues, Redemptions and Conversions"). From time to time it may be necessary for the Fund to borrow on a temporary basis to fund redemptions. For restrictions applicable to the Fund's ability to borrow, see Section 10.1 "Investment Restrictions".

## 7.6 Transfer of Shares

The transfer of registered Shares may normally be effected by delivery to the Registrar and Transfer Agent of an instrument of transfer in appropriate form. On receipt of the transfer request, the Registrar and Transfer Agent may, after reviewing the endorsement(s), require that the signature(s) be guaranteed by an approved bank, stockbroker or public notary. Shareholders are advised to contact the Registrar and Transfer Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

## 7.7 Late Trading and Market Timing

The Fund and the Registrar and Transfer Agent ensure that the practices of late trading and market timing will be eliminated in relation to the distribution of Shares. The cut-off times mentioned in this Section 7 will be observed rigidly and any decision to accept trades will be done on the basis that it will not prejudice the interests of the other shareholders. Investors do not know the net asset value per Share at the time of their request for subscription, redemption, or conversion. Subscriptions, redemptions and conversions of Shares should be made for investment purposes only. The Fund, the Registrar and Transfer Agent, and the Management Company do not permit market-timing or other excessive trading practices. Excessive, short-term trading practices may disrupt portfolio management strategies and harm the Fund's performance. To minimise harm to the Fund and the Shareholders, the Registrar and Transfer Agent on its behalf has the right to reject any subscription or conversion order, or levy a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is believed to engage in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Registrar and Transfer Agent, has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Registrar and Transfer Agent may consider trading done in multiple accounts under common ownership or control.

Moreover, the Fund and/or Registrar and Transfer Agent have the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The Registrar and Transfer Agent, the Management Company, and the Fund will not be held liable for any loss resulting from rejected orders or mandatory redemptions.

## 7.8 Data Protection

In accordance with the Data Protection Law, the Fund, acting as data controller (the "**Data Controller**"), hereby informs the Shareholders (or if the Shareholder is a legal person, informs the natural persons related to the Shareholder, such as its contact persons and/or beneficial owners) that certain personal data provided to the Fund or its delegates may be collected, recorded, stored, adapted, transferred or otherwise processed for the purposes set out below.

Such personal data includes (i) for individual Shareholders: the name, address (including postal and/or e-mail address), banking details, invested amount and holdings of each Shareholder; (ii) for corporate Shareholders: the name and address (including postal and/or e-mail address) of the natural person related to the Shareholders; and (iii) any personal data the processing of which is required in order to comply with regulatory requirements, including tax law and foreign laws (all the personal data mentioned above, collectively, the "**Personal Data**").

Natural persons mentioned above are hereinafter referred to as “Data Subjects”.

Shareholders who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Fund in compliance with the Data Protection Law, including, where appropriate, informing the Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Shareholders is processed in order to enter into and execute the subscription of Shares in the Fund to comply with the legal obligations imposed on the Fund and for the legitimate interests of the Fund, which should never override the interests and fundamental rights and freedoms of Data Subjects. In particular, the Personal Data supplied by Shareholders is processed for the purpose of: (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders; (iii) maintaining controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules; (v) marketing and client-related services; (vi) FATCA and CRS purposes, (vii) complying with regulatory requirements, including foreign laws and (viii) marketing.

The “legitimate interests” of the Fund referred to above are: (a) the processing purposes described in points (i) to (viii) of the above paragraph of this clause; (b) meeting and complying with the Fund’s accountability requirements and regulatory obligations globally; the provision of the proof, in the event of a dispute, of a transaction or any commercial communication; and (c) exercising the business of the Fund in accordance with reasonable market standards.

In the context of the above mentioned purposes, the Fund may delegate the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations, to other data recipients which refer to, inter alia, the Management Company, the Investment Manager and Global Distributor, the Administrator, the Depositary, the Shari’a Board, the Auditors and the legal advisors of the Fund and their service providers and delegates (the “**Data Processors**”).

The Data Processors may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “**Sub-Data Processors**”), which shall process the Personal Data for the sole purposes of assisting the Data Processors in providing their services to the Fund and/or assisting the Data Processors in fulfilling their own legal obligations. Data Processors and Sub-Data Processors may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Fund), or as independent data controllers (when processing the Personal Data for their own purposes or fulfilling their own legal obligations). The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities. Certain Data Processors and Sub-Data Processors are located in countries outside the European Economic Area (“**EEA**”) which are deemed not to offer an adequate level of protection by the European Commission. Where the Data Processors and Sub-Data Processors are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data, the Data Controller and/or Data Processors will enter into legally binding transfer agreements with the relevant Data Processors and Sub-Data Processors in the form of the EU Commission’s approved model clauses. In this respect, the Data Subjects have a right to request

copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

In accordance with the conditions laid down by the Data Protection Law, Data Subjects have the right to:

- request access to their Personal Data (i.e. the right to obtain from the Fund confirmation as to whether or not Personal Data is being processed, to be provided with certain information about the Fund's processing of Personal Data, to access such data, and to obtain a copy of the Personal Data undergoing processing (subject to legal exceptions));
- request the correction of their Personal Data where it is inaccurate or incomplete (i.e. the right to require from the Fund that inaccurate or incomplete Personal Data be updated or corrected accordingly);
- object to the processing of their Personal Data (i.e. the right to object, on grounds relating to their particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Fund. The Fund shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override their interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);
- request erasure of their Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Fund to process this data in relation to the purposes for which it collected or processed);
- request for restriction of the use of their Personal Data (i.e. the right to obtain that the processing of Personal Data should be restricted to storage of such data unless consent of the Data Subjects has been obtained); and
- request for Personal Data portability (i.e. the right to have the data transferred to them or another controller in a structured, commonly used and machine-readable format, where this is technically feasible)

Data Subjects may exercise the above rights by writing to the Fund at the following address: 49 avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Data Subjects must also be informed of the existence of their right to lodge a complaint with the National Commission for Data Protection (the "CNPD") at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or with any competent data protection supervisory authority.

The Shareholder may, at its discretion, refuse to communicate Personal Data to the Fund. In this event however the Fund may reject the request for subscription for Shares under the terms and conditions set forth in this

Prospectus. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by applicable law.

## 7.9 Investors rights

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

# 8. Dividend Policy

## 8.1 General

The Board of Directors shall in each accounting year have the option, if it deems appropriate, to propose to the Shareholders of any Sub-Fund or Class at the Annual General Meeting the payment of a dividend out of all or part of the net investment income or capital of such Sub-Fund or Class. The Board of Directors may only propose the payment of a dividend if, after the deduction of such distribution, the Fund's capital will exceed the minimum capital required by Luxembourg law.

## 8.2 Distributing Classes

### Annual Distribution

The Board of Directors expects to recommend distribution of substantially all of the net interest income of the following Classes for each year:

A (Inc), B (Inc), C (Inc), E (Inc), G (Inc), I (Inc), P (Inc), R (Inc).

It is the intention of the Fund to apply for UK Reporting Fund status for Income Class Shares. It is intended that dividends will typically be distributed to so far as possible reflect, at the dividend declaration date, equalised reportable income as defined under such regime. However the Board of Directors reserves the right to report instead of distribute such income. Broadly, investors will be taxed on the higher of the reportable income and any cash distribution received. Please refer to Section 11.3 for information regarding the Reporting Fund regime.

### UK Reporting Fund Status – Other Classes

The Board of Directors may choose to apply for UK Reporting Fund status in respect of other Classes. However, no guarantee can be given that Reporting Fund status will be obtained. Such Classes with Reporting Fund status may either report or distribute income, at the sole discretion of the Board of Directors. A list of Classes which currently



have UK Reporting Fund status may be obtained from the registered office of the Fund or from the Registrar and Transfer Agent upon request. Please refer to Section 11.3 for information regarding the Reporting Fund regime.

### 8.3 Dividend Declaration

For Classes in respect of which a distribution is intended, dividends will typically be declared at the end of the relevant period, depending on the frequency of that particular Sub-Fund, as stipulated in Appendix 1 and 2. At the sole discretion of the Board of Directors, additional dividends may be declared.

### 8.4 Dividend Payment

Dividends will normally be paid within 6 weeks following the dividend declaration date or as soon as practicable thereafter. Dividend payments will normally be made by electronic bank transfer. Shareholders should expect to receive the dividend payment within 10 Business Days following the payment date. Payment will be made in the Reference Currency of the relevant Shares. Dividends not cashed within five years will lapse and the unclaimed dividend will revert to the relevant Class in accordance with Luxembourg law. No interest shall be paid on distributions declared by the Fund and kept by it at the disposal of the shareholders.

### 8.5 Reinvestment

For investors holding the accumulation Class of shares all declared dividends will be reinvested back into the particular Class of the Sub-Fund, free of any subscription fees.

### 8.6 Dividend Income Equalisation

For the purposes of calculating dividend income, income is equalised with a view to ensuring that the level of income per Share is not affected by the issue and redemption of Shares. The subscription price of Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Shares, and the first distribution in respect of such Shares will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Shares up to the date of redemption.

## **9. Management and Fund Charges**

### 9.1 Management Company Fees

The Management Company is entitled for the performance of its services to a fee, paid by the Fund, as further defined in Appendix 2.

### 9.2 Fees of the Investment Manager and the Global Distributor

The Investment Manager and the Global Distributor are entitled to receive, out of the assets of each class within each Sub-Fund, a fee as further detailed in Appendix 2.

Subject to the investment restrictions described in this Prospectus, Sub-Funds may invest in other collective investment schemes managed by the Investment Manager. Where such collective investment schemes are managed directly or indirectly by the Investment Manager, or by a company to which the Investment Manager is linked by joint management or control or by a direct or indirect participation exceeding 10% of the capital or voting rights ("**Related Funds**"), no management and advisory fee will be charged to the relevant Sub-Fund in relation to such investments. Furthermore, no subscription, redemption and/or conversion fees may be charged to the relevant Sub-Fund in connection with Related Funds.

### 9.3 Fees of the Sub-Investment Managers

The Sub-Investment Managers are entitled to receive a fee, out of the Management Fee paid to the Investment Manager, as further detailed in the relevant sub-Investment Management Agreement.

### 9.4 Performance Fees

The Investment Manager will be entitled to a performance fee in respect of all performance fee paying Classes, as identified in Appendix 2. This fee will be payable by the Fund quarterly, unless stated otherwise in Appendix 2, and will be calculated on the Calculation Days, these being the Valuation Days at the end of each of the quarters (the "Calculation Day").

An estimate of the performance fee payable at the next Calculation Day earned to date will be made and accrued on each Valuation Day of the relevant Share Class.

The performance fee will be payable on the increase of the NAV of the Share Classes over the NAV recorded at the Calculation Day of the previous quarter after taking into account subsequent subscriptions and redemptions. The performance fee will be calculated using the hurdle rate described in Appendix 2.

For the purposes of determining the NAV of the Sub-Fund at the relevant Calculation Date calculations will be made before deducting performance fees, before the NAV is swung (as detailed below under "Swing Pricing") and any issue or redemption of shares in the Share Class on the relevant Subscription Day shall be disregarded. All distributions payable at the Calculation Day will be included in the NAV at that Valuation Day.

The performance fee payable on each Calculation Day represents a definitive charge to the Share Class and is not recoverable by the Share Class in the event that there is a subsequent fall in the NAV of the Share Class or subsequent under performance when compared to the Hurdle Rate return, defined for each Sub-Fund in Appendix 1.

### 9.5 Fees of the Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent

The Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee calculated in accordance with customary banking practice in Luxembourg. In addition, the Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents.

#### 9.6 Operating and Administrative Expenses

The Fund bears all its Operating and Administrative Expenses including but not limited to: formation expenses such as organization and registration costs and material costs of any service provider as approved by the Board of Directors; the Luxembourg asset-based tax d'abonnement (up to the maximum rate referred to in Section 11 "Taxation"); attendance fees and reasonable out-of-pocket expenses incurred by the Board of Directors; expenses incurred by the Management Company on behalf of the Fund; legal and auditing fees and expenses; ongoing registration and listing fees (including translation expenses and fees due to authorised participants, market makers, as relevant); and the costs and expenses of preparing, printing, and distributing the Prospectus, the KIIDs, financial reports and other documents made available to Shareholders, as well as where relevant research fees. Operating and Administrative Expenses do not include Transaction Fees and Extraordinary Expenses. Directors will be entitled to receive remuneration from the Fund as disclosed in the annual financial statements of the Fund.

The Fund's final formation expenses will be capitalised and amortised over a period of five years, as permitted by Luxembourg law. The expenses relating to the creation of new Sub-Funds may be capitalised and amortised over a period not exceeding five years, as permitted by Luxembourg law. Initial formation expenses are not expected in total to exceed Euro 650,000 for the Fund and will be borne only by the Sub-Funds initially launched.

#### 9.7 Extraordinary Expenses

The Fund bears any Extraordinary Expenses, as approved by the Board of Directors. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Funds to which they are attributable.

#### 9.8 Swing Pricing

On any Valuation Day the Board of Directors may determine to apply an alternative net asset value calculation method (to include such reasonable factors as they see fit) to the net asset value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Fund to the active Shareholders by adjusting the net asset value of the relevant Share and thus to protect the Fund's long-term Shareholders from costs associated with ongoing subscription and redemption activity.

This alternative net asset value calculation method may take account of trading spreads on the Fund's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact. Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the

relevant Portfolio, have determined for a particular Portfolio to apply an alternative net asset value calculation method, the Portfolio may be valued either on a bid or offer basis.

Because the determination of whether to value the Fund's net asset value on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Fund's net transaction activity may benefit at the expense of the other Shareholders in the Fund. In addition, the Fund's net asset value and short-term performance may experience greater volatility as a result of this alternative net asset value calculation method. The total swing from mid to offer / bid is not expected to exceed 1.5% and will apply for redemptions or subscriptions placed in excess of 15% of the Fund's net asset value on any Business Day.

### 9.9 Rebate Arrangements

Subject to applicable law and regulations, the Investment Manager may at its discretion and at its own expense, on a negotiated basis, enter into private arrangements with a distributor pursuant to which the Investment Manager makes payments to or for the benefit of such distributor which represent a rebate of all or part of the fees paid by the Fund to the Investment Manager. In addition, subject to applicable law and regulations, the Investment Manager or a distributor may at their discretion, on a negotiated basis, enter into private arrangements with a holder or prospective holder of Shares pursuant to which the Investment Manager or distributor is entitled to make payments to such holder of Shares of part or all of such fees. Consequently, the effective net fees payable by a Shareholder who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Fund, and for the avoidance of doubt, the Fund cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

### 9.10 Directors Fees

Directors of the Fund shall be entitled to fees up to a total of Euro 20,000 per annum and per Director. These fees will be accrued equally across all Sub Funds and are payable quarterly in arrears.

### 9.11 Shari'a Board Fees

The remuneration of the Shari'a Board is determined and paid by the Investment Manager and per Shari'a compliant Sub-funds. The global remuneration of the Shari'a Board shall not, in principle, exceed the amount of USD 50,000 per annum.

## **10. Investment Restrictions and Financial Techniques and Instruments**

### 10.1 Investment Restrictions

10.1.1 The assets of the Sub-Funds shall comprise only one or more of the following:

(a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

(b) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;

(d) recently issued Transferable Securities and Money Market Instruments, provided that:

i) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under items (a), (b) or (c) above of this Section 10.1.1; and

ii) such admission is secured within one year of issue;

(e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph 2, points a) and b) of Directive 2009/65/EC, whether or not established in a Member State or in an Other State, provided that:

i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway, the Isle of Man, Jersey and Guernsey);

ii) the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders 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 Directive 2009/65/EC;

iii) 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

iv) no more than 10% of the assets of such 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 credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;

(g) financial derivative instruments, i.e. in particular credit default swaps, options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in item (a),

(b) or (c) above of this Section 10.1.1, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

i) the underlying consists of instruments covered by this Section 10.1.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to its investment objectives;

ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and

iii) 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-Funds' initiative. Under no circumstances shall such operations cause the Sub-Funds to diverge from its investment objectives.

(h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- i) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
- ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in items (a), (b) or (c) above of this Section 10.1.1;
- iii) 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 Regulatory Authority to be at least as stringent as those laid down by EU law; or
- iv) issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in any other sub-paragraph of this item (h) provided that the issuer is a company whose capital and reserves amount to at €10,000,000 and which presents and publishes its annual accounts in accordance with EC Directive 78/660/EEC as amended, or is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

10.1.2 Each Sub-Fund may however:

- (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under items (a) to (d) and (h) of Section 10.1.1;
- (j) hold cash and cash equivalents on an ancillary basis (such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders);
- (k) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis (collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction); and
- (l) acquire foreign currency by means of a back-to-back loan.

10.1.3 In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

#### 10.1.3.1 Risk Diversification Rules

For the purpose of calculating the restrictions described under items (a) to (e) and (h) of this Section 10.1.3, companies which are included in the same Group of Companies are regarded as a single issuer.

#### Transferable Securities and Money Market Instruments

(a) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or

Money Market Instruments of one single issuer; or

ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets.

(b) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(c) The limit of 10% set forth above under item (a) i) of this Section 10.1.3.1 is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(d) The limit of 10% set forth above under item (a) i) of this Section 10.1.3.1 is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(e) The securities specified above under items c) and d) above of this Section 10.1.3.1 are not to be included for purposes of computing the limit of 40% set forth above under item (a) ii) of this Section 10.1.3.1

(f) Notwithstanding the limits set forth above and subject to sufficient shareholders' protection, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other country which is a member of the OECD or by a public international body of which one or more Member State(s) are member(s), provided that:

(i) such securities are part of at least six different issues; and

(ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.

(g) Without prejudice to the limits set forth under Section 10.1.3.2, the limits set forth under item (a) above of this Section 10.1.3.1 are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

i) the composition of the index is sufficiently diversified;

ii) the index represents an adequate benchmark for the market to which it refers; and

iii) the index is published in an appropriate manner.

The limit of 20% is raised to 35% where justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. Investment up to such limit is only permitted for a single issuer.

Intra-fund Investment

For the avoidance of doubt, a Sub-Fund may invest in another Sub-Fund of the Fund provided that;

i) The target Sub-Fund does not invest in turn (at the same time) in the acquiring Sub-Fund;

- ii) No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested in other target compartments of the Fund;
- iii) Voting rights, if any attaching to the relevant securities are suspended for as long as they are held by the acquiring Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports;
- iv) For as long as these securities are held by the acquiring Sub-Fund their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum asset thresholds imposed by law and;
- v) There is no duplication of management /subscription or repurchase fees between those at the level of acquiring Sub-Fund and the target Sub-Fund.

#### Bank Deposits

- (h) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

#### Financial Derivative Instruments

- (i) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in item (f) of Section 10.1.1 above or 5% of its net assets in other cases.
- (j) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3.
- (k) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of such sub-section related to financial derivative instruments as well as with the risk exposure and information requirements laid down in this Prospectus.

#### Units of Open-Ended Funds

- (l) Except as otherwise stated in Appendix 1 with respect to a specific Sub Fund, no Sub-Fund may invest more than 20% of its net assets in the units of other single UCITS or other UCIs.

For the purpose of the application of this investment limit, each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of a UCITS.

- (l') By derogation to the above, any Sub-Fund may act as a feeder fund (the "Feeder") of a master fund. In such case, the Feeder shall invest at least 85% of its assets in shares/units of another UCITS or of a Sub-Fund of such



UCITS (the “Master”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- i. ancillary liquid assets in accordance with Article 41 (2) of the Law of 2010;
- ii. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law of 2010;
- iii. movable and immovable property which is essential for the direct pursuit of the Fund’s business.

#### Combined limits

(m) Notwithstanding the individual limits laid down in items (a), (h) and (i) above, a Sub-Fund may not combine:

- i) investments in Transferable Securities or Money Market Instruments issued by;
- ii) deposits made with; and/or
- iii) exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

(n) The limits set out in items (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3.1 may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3.1 may not exceed a total of 35% of the net assets of a Sub-Fund.

#### 10.1.3.2 Limitations on Control

(o) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(p) No Sub-Fund may acquire:

- i) more than 10% of the outstanding non-voting shares of any one issuer;
- ii) more than 10% of the outstanding debt securities of any one issuer;
- iii) more than 10% of the Money Market Instruments of any one issuer; or
- iv) more than 25% of the outstanding shares or units of any one UCI.

The limits set forth in sub-paragraphs ii) to iv) above of this item (p) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the securities in issue cannot be calculated.

(q) The limits set forth above under items (o) and (p) of this Section 10.1.3 do not apply in respect of:

- i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- iii) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- iv) shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that: (i) such company invests its assets principally in securities issued by issuers of that State; (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and (iii) such company observes in its investments policy the restrictions set forth in items (a) to (e), (h), (i) and (l) to (p) (except (l')) of this Section 10.1.3; or

v) shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

10.1.4 Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

- (a) No Sub-Fund may acquire precious metals or certificates representative thereof.
- (b) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (c) No Sub-Fund may use its assets to underwrite any securities.
- (d) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (e) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as detailed in items (e), (g) and (h) of Section 10.1.1.
- (f) No Sub-Fund may enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in items (e), (g) and (h) of Section 10.1.1.

10.1.5 Notwithstanding anything to the contrary herein contained:

- (a) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such Sub-Fund's portfolio.
- (b) If such limits are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.
- (c) The Board of Directors has the right to amend investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares in the Fund are offered or sold.

## 10.2 Investment Techniques and Instruments

With the exception of the Shari'a compliant Sub-Funds as defined under Appendix 1, each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments (including but not limited to securities lending and borrowing, repurchase and reverse repurchase agreements) for investment purpose and efficient portfolio management, where this is in the best interest of the Sub-Fund and in line with its investment objectives (as set forth in detail in Section 5 "Investment Policies" and in Appendix 1) and its investor's risk profile.

In doing so, the Fund shall comply with applicable restrictions and in particular with ESMA guidelines on ETFs and other UCITS issues as described in CSSF circular 13/559.

### Financial Derivative Instruments

When operations concern the use of financial derivative instruments, the relevant techniques and instruments shall conform to the provisions laid down in Section 10.1 "Investment Restrictions". In addition, the provisions laid

down in Section 10.3 “Risk Management Process” must be complied with. Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment policies and objectives as laid down in Section 5 “Investment Policies” and in Appendix 1. A Sub-Fund may invest in financial derivative instruments including but not limited to foreign exchange forwards, non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, options, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes.

Please refer to section 6. “Risk Factors” (in particular sections 6.36 and 6.37) for risks linked to securities lending transactions and collateral management.

Non deliverable forwards is a generic term for a set of financial derivative instruments which cover notional currency transactions, including FX forward swaps, cross currency swaps and coupon swaps in non-convertible or highly restricted securities. Non deliverable forwards calculate the implied interest rates of the non-deliverable currency, given the settlement currency interest rates and either the current spot exchange rate and forward points, or the outright forwards.

Total return swaps are any swaps in which the non-floating rate side is based on the total return of a currency or fixed income instrument with a life longer than the swap. Total return swaps are most common in equity or physical commodity markets, but they can be used in fixed income markets where the non-domestic holder of a fixed income security would be subject to a withholding tax, but where the withholding tax may be avoided if the debt instrument is held by a domestic investor who pays the total return to a foreign investor by way of a total return swap. Total return swaps are also used to transfer credit exposure.

Where a Sub-Fund enters into a total return swap or invests in other derivatives with similar characteristics:

- (a) the assets held by the Sub-Fund should comply with the investment limits set out in articles 52 to 56 of Directive 2009/65/EC; and
- (b) the underlying exposures of such derivatives must be taken into account to calculate the investment limits laid down in article 52 of Directive 2009/65/EC.

Interest rate swaps provide for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets. Currency swaps are bilateral financial contracts to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk. Swaptions are options on an interest rate swap. The buyer of a swaption has the right to enter into an interest rate swap agreement by some specified date in the future. The swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer. The writer of the swaption becomes the counterparty if the buyer exercises. Credit default swaps are bilateral financial contracts in which one counterparty (the “protection buyer”) pays a periodic fee in return for a contingent payment by the other counterparty (the “protection seller”) following a credit event of a reference issuer. The protection buyer acquires the right to exchange particular bonds or loans issued by the reference issuer with the protection seller for its or their par value, in an aggregate amount up to the notional value of the contract, when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement. Credit

linked notes are structured notes that enable access to local or external assets which are otherwise inaccessible to the Sub-Fund. Credit linked notes are issued by highly rated financial institutions; where credit linked notes are not listed or dealt in on a Regulated Market, the investment in credit linked notes shall always be within the limit of 10% laid down in item (a) of Section 10.1.2; the legal restrictions are applied to the issuer of the credit linked notes as well as to the underlying thereof. In those cases where credit linked notes are listed or dealt in on a Regulated Market, the aforementioned limit of 10% shall not apply and the investment restrictions applicable to credit linked notes shall be those laid down in Section 10.1.3. "Securities Lending and Borrowing, and Repurchase" and "Reverse Repurchase Agreement Transactions" Each Sub-Fund may further for efficient portfolio management purposes, enter into securities lending and borrowing and repurchase and reverse repurchase agreement transactions in compliance with the applicable regulations.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

Authorised counterparties to OTC financial derivative transactions, including total return swaps, are specialised in the relevant types of transactions and are either credit institutions with a registered office in New York, London, Hong Kong or the GCC or an investment firm, authorised under the MiFID directive or an equivalent set of rules, and subject to prudential supervision, with a minimum rating of Baa3 or its equivalent.

#### Securities Lending

Securities lending and borrowing transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred. Sub-Funds may enter into securities lending or borrowing transactions, provided that such transactions are carried out in accordance with the applicable guidelines and regulations.

- i) the borrower in a securities lending transaction must be subject to prudential supervision rules considered by the Authority as equivalent to those prescribed by EU law.
- ii) Sub-Funds may only lend or borrow securities through a standardised system operated by a recognised securities clearing institution, such as Clearstream and Euroclear, through a lending program organised by a financial institution or through a first-class financial institution with a minimum investment grade, credit rating, and which have their headquarters in any of the OECD or G20 countries, specialised in this type of transactions, subject to prudential supervision rules and which are considered by the CSSF as equivalent to those provided by EU Law.
- iii) The Fund will ensure that it is able at any time to recall the securities lent out or to terminate the securities lending agreement into which it has entered. All assets received by Fund in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under "Collateral".

- iv) The net exposures (i.e. the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law of 2010.
- v) Securities lending or borrowing transactions may not extend beyond a period of 30 days.

#### Repurchase and reverse repurchase agreements

(a) A repurchase (or repo) agreement is a contract by which the holder of securities sells the securities at a specified price to a counterparty with a commitment to repurchase the same or similar securities at a specified price from the same counterparty at a later date. A reverse repurchase (or reverse repo) agreement is a contract for the purchase of securities from a counterparty with an agreement to resell the same or similar securities at a specified price to the same counterparty at a later date. (b) Sub-Funds may, on an ancillary or a principal basis, as specified for each Sub-Fund in Appendix 1, enter into repurchase or reverse repurchase agreement transactions consisting of the purchase and sale of transferable securities, Sub-Funds may act as buyer or seller under a repurchase agreement or series of repurchase agreement transactions. However, Sub-Funds may only engage in such transactions subject to the following conditions;

(b) Sub-Funds may not buy or sell securities under a repurchase agreement unless the counterparty to such transaction is a first-class financial institution specialised in transactions of such type subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU Law;

(c) The net exposures (i.e. the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from reverse repurchase / repurchase agreement transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law of 2010. It is not anticipated that repurchase agreements shall be entered into other than on an occasional basis.

The Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Fund. The Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. The Fund shall further ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

#### *Collateral*

The Fund must receive a collateral where engaging into OTC financial derivatives and efficient portfolio techniques. Such collateral should comply with the following rules:

1. **Liquidity** – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC reflected under indent (o) to (q) of sub-section 10.1.3.2. herein.

2. **Valuation** – the collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
3. **Issuer credit quality** – the collateral received should be of high quality.
4. **Correlation** – the collateral received by the Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
5. **Collateral diversification (asset concentration)** – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
6. The Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the **risk management process**.
7. Where there is a title transfer, the collateral received should be **held by the Depositary Bank** or one of its sub-custodians to which the Depositary Bank has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
8. The Collateral received should be capable of being fully **enforced** by the Fund at any time without reference to or approval from the counterparty.
9. Non-cash collateral received should not be sold, re-invested or pledged.
10. Cash collateral received should only be:
  - placed on deposit with entities prescribed in Article 50 (f) of the Directive 2009/65/EC reflected under indent (f) of sub-section 10.1.3.1.;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described under section “Collateral Management”.

#### Collateral policy

Collateral received by a Fund, where applicable, shall predominantly be limited to cash and government bonds. In the context of securities lending, the collateral will represent 90 % of the assets transferred by the relevant Fund. In addition, the cash collateral received may be re-invested in line with the guidelines of ESMA 2012/832EN.

#### Valuation of collateral

Collateral will be valued, on a daily basis, using available market prices in accordance with the rules set out in this Prospectus as well as a daily variation margins, and taking into account appropriate discounts which will be

determined by the Fund for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

#### Haircut policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this prospectus shall be amended accordingly, subject to CSSF approval):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	0%
Government Bonds	One year or under	0%
	More than one year up to and including five years	3%
	More than five years up to and including ten years	5%
	More than ten years up to and including thirty years	10%
	More than thirty years up to and including forty years	15%
	More than forty years up to and including fifty years	15%

### 10.3 Risk Management Process

In accordance with the Law of 2010 and other applicable regulations, in particular CSSF Circular 11/512, the Fund, through the Management Company, uses a risk management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund. In relation to financial derivative instruments the Fund employs a process for accurate and independent assessment of the value of OTC derivatives and the Fund ensures for each of its Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the limits as set out in Appendix 1. The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Section 10.1 "Investment Restrictions", in financial derivative instruments provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 10.1 "Investment Restrictions". When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 10.1 "Investment Restrictions".

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section 10.3.

#### 10.4 Benchmarks

The Management Company with the assistance of the Investment Manager has adopted a written plan setting out actions, which it will take in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the “Contingency Plan”), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds/ Shareholders may access the Contingency Plan free of charges at the registered office of the Fund or via the following website: [www.adcbam.com](http://www.adcbam.com)

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmarks Regulation”) (each the “Benchmark Administrator” and collectively the “Benchmark Administrators”). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below. A Benchmark Administrator may avail of the transitional arrangements permitting that the benchmarks do not appear on the register of administrators and benchmarks maintained by ESMA.

<b>Sub-Fund</b>	<b>Benchmark Name</b>	<b>Benchmark Administrator</b>	<b>Status</b>
Emirates Emerging Market Debt Fund	Goldman Sachs USD GS 3 Month Money Market Index	Goldman Sachs	Benchmark Administrator not yet registered on the register of administrators and benchmarks maintained by ESMA
Emirates Index Tracking Sukuk ETF	ENBD-Markit iBoxx Sukuk Index.	IHS Markit	Benchmark Administrator already registered on the on the register of administrators and benchmarks maintained by ESMA



## 11. Taxation

### 11.1 Taxation of the Fund

#### ***Subscription tax***

The Fund is as a rule liable in Luxembourg to a subscription tax (taxe d'abonnement) of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of each Sub-Fund at the end of the relevant calendar quarter.

This rate is however of 0.01% per annum for:

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in deposits with credit institutions;
- individual Sub-Funds of undertakings which are subject to the law of 13 February 2007 concerning specialised investment funds; and
- individual Sub-Funds of UCIs with multiple Sub-Funds as well as for individual classes of securities issued within a UCI or within a Sub-Fund of a UCI with multiple Sub-Funds, provided that the securities of such Sub-Funds or classes are reserved to one or more institutional investors.

The I and P share classes are reserved for institutional investors and consequently bear a subscription tax of 0,01% per annum.

Are further exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual Sub-Funds of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;
- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institution; and
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and (ii) whose exclusive object is to replicate the performance of one more indices. If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition of sub-point (i).

### ***Income tax***

Under current law and practice, the Fund is not liable to any Luxembourg income tax.

### ***Value added tax***

The Fund is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

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

The above information is based on the law in force and current practice and is subject to change. In particular, a pending case law before the European Court of Justice might impact the VAT treatment of the investment advisory services (C-275/11).

### ***Other taxes***

No stamp or other tax is generally payable at a proportional rate in Luxembourg in connection with the issue of Shares against cash by the Fund.

Any amendment to the Articles of the Fund is generally subject to a fixed registration duty of seventy-five Euro (EUR 75.-).

## **11.2 Taxation of the Shareholders**

### ***Luxembourg tax residency of the shareholders***

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the shares or the execution, performance or enforcement of his/her rights hereunder.

### ***Income tax***

A Luxembourg resident Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Fund.

- ***Luxembourg resident individuals***

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Fund whose shares are being disposed of. A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

- *Luxembourg resident companies*

A Luxembourg resident Fund (*société de capitaux*) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

- *Luxembourg residents benefiting from a special tax regime*

Shareholders which are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the law of 17 December 2010, (ii) specialized investment funds subject to the amended Law of 13 February 2007 and (iii) family wealth management companies governed by the law of 11 May 2007, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

- *Luxembourg non-resident shareholders*

A non-resident, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident Fund which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, who has a

permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### ***Net wealth tax***

A Luxembourg resident, or a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law of 17 December 2010, (iii) a securitization Fund governed by the law of 22 March 2004 on securitization, (iv) a Fund governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007, or (vi) a family wealth management Fund governed by the law of 11 May 2007.

### ***Other taxes***

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

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notary deed or otherwise registered in Luxembourg.

## **11.3 UK Reporting Funds**

On 1 December 2009, the UK Government enacted the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) which replaced the UK Distributor Status regime. Funds which have opted to enter this new regime are referred to as 'Reporting Funds'. Under the new regime, investors in Reporting Funds are subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax. The new UK Reporting Funds regime applies to the Fund with effect from 1 July 2011.

## **11.4 US Foreign Account Tax Compliance Requirements ("FATCA")**

### **General introduction of the FATCA obligations**

The Fund may be subject to regulations imposed by foreign regulators, in particular, the Hiring Incentives to Restore Employment Act (the "Hire Act") which was signed into U.S. law in March 2010. It includes provisions generally known as the Foreign Account Tax Compliance Act ("FATCA"). The objective of this law is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions ("Foreign Financial Institutions" or "FFIs") information relating to such persons that have direct or indirect accounts or investments in those FFIs.

In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30 % on certain U.S. source income and gross sales proceeds. This regime is being implemented in phases from July 1 2014 to 2017.

To be relieved of this 30% withholding tax, FFIs will need to enter into an agreement (the “FFI agreement”) with the Internal Revenue Service (the “IRS”) except if they are incorporated in a country that entered into a Model I Intergovernmental Agreement (“IGA”) with the United States. In this latter case, FFIs will be obliged to comply with the provisions of FATCA under the terms of their IGA and their country-equivalent IGA legislation implementing FATCA.

In particular, as of July 2014, FFIs are required to report directly or indirectly through their local authority to the IRS certain holdings by and payments made to (i) certain U.S. Persons, (ii) certain non- financial foreign entities (“NFFEs”) owned by certain U.S. Persons (iii) and FFIs that do not comply with the terms of the FATCA Legislation.

#### Applicability to the Fund

Being established in Luxembourg and subject to the supervision of the Commission de Surveillance du Secteur Financier (“CSSF”), in accordance with the Law of 17 December 2010, the Fund will be treated as an FFI for FATCA purposes.

Luxembourg has entered into a Model I IGA with the United States on 28 March 2014, which means the Fund must comply with the requirements of the Luxembourg IGA. This includes the obligation for the Fund to regularly assess the status of its investors. To this extent, the Fund will need to obtain and verify information on all of its investors. Upon request of the Fund, each investor agrees to provide certain information, including, in case of a NFFE, the direct or indirect owners above a certain threshold of ownership of such shareholder, along with the required supporting documentation. Similarly, each investor agrees to actively provide to the Fund within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

In certain conditions when the investor does not provide sufficient information, the Fund will take actions to comply with FATCA. This may result in the obligation for the Fund to disclose the name, address and taxpayer identification number (if available) of the investor as well as information like account balances, income and capital gains (non-exhaustive list) to its local tax authority under the terms of the applicable IGA.

A failure for the Fund to obtain such information from each shareholder and to transmit it to the Luxembourg authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source incomes and on proceeds from the sale of property or other assets that could give rise to US source interests and dividends.

The Fund may with regards to any shareholder that fails to comply with the Fund’s documentation requests in its sole discretion, redeem the shares of such shareholder.

All prospective shareholders are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

## Appendix 1: Investment Objectives, Policies and Additional Information for Sub-Funds

The information set out below in relation to each Sub-Fund should be read in conjunction with the full text of this Prospectus. Any investment policy will always be subject to the restrictions set out in Section 10 “Investment Restrictions and Financial Techniques and Instruments”. The specific risk factors for each Sub-Fund are set out below by reference to Section 6 “Risk Factors” which sets out the relevant risk factors for each Sub-Fund in more detail. For the purpose of all credit ratings, in instances where two different credit ratings are published by independent credit rating agencies for a specific security, the lower of these ratings shall be decisive. Where three or more ratings are published by independent credit rating agencies for a specific security, the lower of the top two ratings shall be decisive. Ancillary liquid assets are excluded from net assets for the purposes of calculating all minimum investment thresholds detailed below. Ancillary liquid assets are included within net assets for the purposes of calculating all maximum investment thresholds detailed below. Ancillary liquid assets are those assets invested outside the main investment strategy of a Sub-Fund including, but not limited to, cash, cash equivalents and assets linked to repurchase agreements as part of a treasury management strategy. The Sub-Funds may invest in unrated securities whose creditworthiness is, in the opinion of the Investment Manager or the Sub-Investment Manager, as the case may be, of comparable quality to other securities eligible for inclusion in the relevant Sub-Fund’s portfolio and/or the constituents of the relevant benchmark index of such Sub-Fund. The internal rating assigned to such securities by the Investment Manager or the Sub-Investment Manager will be used for the purpose of calculating the specified thresholds within each Sub-Fund’s investment policy. For each investment policy detailed below, all references to investment shall include both direct and indirect investment, unless otherwise stated. For each investment policy detailed below, an entity’s country of domicile may be determined by the Investment Manager or the Sub-Investment Manager to be the country in which, in the Investment Manager or the Sub-Investment Manager’s reasonable opinion, such entity carries out its significant business operations. Where valuation of the net asset value per Share occurs weekly, the Valuation Day shall be each Tuesday which is a Business Day or, for each Tuesday which is not a Business Day, the following Business Day. Where valuation of the net asset value per Share occurs daily, each Business Day shall be a Valuation Day.

The Investment Manager or the Sub-Investment Manager may manage the currency allocation of each Sub-Fund.

### Definitions

In this Appendix, the following terms shall have the following meanings:

“**B-/B3**” means rated B- by Standards & Poor’s, B3 by Moody’s, or the equivalent rating of any other recognized ratings agency or investment authority deemed appropriate by the Investment Manager or the Sub-Investment Manager, as the case may be.

“**Investment Grade**” means rated BBB- or above by Standard & Poor’s, Baa3 or above by Moody’s, or an equivalent rating from any other recognised rating agency.

“**Emerging Market Countries**” means all countries in the following regions: Asia (excluding Japan), Eastern Europe, Middle East, Africa and Latin America, or such countries as reasonably determined by the Investment Manager or the Sub-Investment Manager, as the case may be, from time to time.

“**Emerging Market Issuer**” means an entity domiciled in an Emerging Market Country.

“**Local Currencies**” means currencies of Emerging Market Countries.

“**Hard Currencies**” means G7 country currencies, i.e. USD, Canadian Dollars, EUR, GBP or Japanese Yen.

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## **SCHEDULE A: EMIRATES EMERGING MARKET DEBT FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Investment Objective:** the primary investment objective of the portfolio is to achieve absolute return, i.e. high income and some capital growth, predominantly from a diversified portfolio of emerging market corporate debt securities of varying maturities along with cash, cash-equivalent and other ancillary instruments, including medium term notes (MTNs), futures, forwards and swaps. The portfolio may also make use of leverage through investments in the above derivatives for EPM purposes.

The Sub-Fund may enter into the SFTR techniques listed in the table below with respect to, amongst other things, equity securities, markets, interest rates, credit, currencies, commodity indices. The Sub-Fund's exposure to SFTR techniques is as set out below (in each case as a percentage of net asset value).

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below.*	The principal amount of the Portfolio's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
Total return swaps (CDS)	40 %	100 %
Repurchase, including reverse repurchase, transactions	0 %	100 %
Securities lending transactions	0 %	50 %

### **Investment Restrictions:**

The Sub-Fund may invest:

- Up to 100% of its assets in fixed and floating rate securities which shall be principally, but not limited to, securities issued by issuers domiciled in emerging markets.
- In recognised collective investment schemes, such that no single collective investment scheme at the time of acquisition shall represent more than 10% of its assets. Exposure to non UCITS compliant collective investment schemes is capped at 15% of its assets, subject to the above mentioned investment restrictions.
- In a way that the portfolio will have a maximum exposure of 60% of its assets to a single country.
- In a manner that within the portfolio there is no term deposit investment (or investment without liquidity) that exceeds a maturity of 12 months. No more than 15% of its assets may be invested in deposits with a single counterparty.
- Up to 60% of its assets in non-USD or non-USD-pegged assets. The maximum limit on any single non-USD currency is 50% of its assets.
- No more than 80% of its assets will be invested in non-rated securities or securities rated below Investment Grade.
- In a manner that the counterparty risk exposure linked to OTC transactions is limited to 9%. The risk will be calculated as the net positive mark-to-market value of all underlying contracts with the counterparties.

- In instruments to manage interest rate risk, currency risk and credit risk. Futures, forwards, options and swaps may be used to manage these risks. Where the Sub-Fund uses total return swaps, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.22, 6.23, 6.24, 6.26 to 6.31 and 6.33.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities of Emerging Market Issuers.

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the VaR methodology, as further defined above.

The VaR is absolutely limited to 20% at the 99% confidence level. The leverage based on the sum of notionals is expected to reach 200% maximum.

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## **SCHEDULE B: EMIRATES GLOBAL QUARTERLY INCOME FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Sub-Investment Manager:** Jupiter Asset Management Limited.

**Investment Objective:** The Sub-Fund will seek to provide investors with a high level of income, paid quarterly, by investing in income producing assets, predominantly through a fund of funds structure.

**Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- Hold units or shares of collective investment schemes (including exchange traded funds) and or securities of listed closed-ended funds that operate on the principle of risk spreading.
- Diversify its investments across a range of asset classes with a majority of the Sub-Fund's assets invested in collective investment schemes predominantly offering exposure to a range of equities and fixed income strategies as well as other asset classes that the Sub-Investment Manager perceives to be consistent with the mandate of the Sub-Fund. The Sub-Fund may also take indirect exposure through collective investment schemes to other asset classes including but not limited to commodities, real estate and alternative strategies.
- Not take legal or management control of any underlying investments.
- Permit hedging to protect the USD value of the investments provided this does not create net negative exposure (hedge not to exceed the value of assets being hedged) measured at the time the trade is placed.
- Will not directly acquire any asset that involves the assumption of any liability which is unlimited.
- Invest up to 100% of its assets in fixed income and cash, up to 50% of its assets in equity and up to 40% of its assets in alternative strategies, mainly through collective investment schemes.

In addition to the restrictions above, the Sub-Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Sub-Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained and it may be necessary to dispose of assets in order to meet redemptions.

The Sub-Fund may during its period of existence invest in other investment vehicles where the Investment Manager or the Sub-Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager, the Sub-Investment Manager or any related party.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.24 and 6.26 to 6.31 and 6.37.

Where the Sub-Fund invests in other funds which are managed, directly or by delegation by the Investment Manager, by any other company of the Emirates NBD group of companies, or by the Sub-Investment Manager, the Sub-Fund shall not be charged any subscription or redemption fees on such investments.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of asset classes that generate a high level of income and some capital growth.

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. Income targets set are 1.5% paid quarterly or such other amounts as may be reasonably determined by the Investment Manager and Board of Directors of the Fund. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund's global exposure shall be calculated according to the commitment methodology.

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## **SCHEDULE C: EMIRATES ACTIVE MANAGED FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Sub-Investment Manager:** Jupiter Asset Management Limited.

**Investment Objective:** The Sub-Fund will invest globally through collective investment schemes in a range of asset classes with the aim of providing long-term capital growth and with a strong bias towards global equity markets. It will however seek to reduce the volatility traditionally associated with investments in securities markets by offering some diversification across asset classes. Additionally, certain share classes of the Sub-Fund will also distribute income on a quarterly basis. Declarations of distribution will be made at the end of March, end of June, end of September & end of December of each year.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- Hold units or shares of collective investment schemes (including exchange traded funds) and or securities of listed closed-ended funds that operate on the principle of risk spreading.
- Diversify its investments across a range of asset classes with a majority of the Sub-Fund's assets invested in collective investment schemes predominantly offering exposure to a range of equities and fixed income strategies as well as other asset classes that the Sub-Investment Manager perceives to be consistent with the mandate of the Sub-Fund. The Sub-Fund may also take indirect exposure through collective investment schemes to other asset classes including but not limited to commodities, real estate and alternative strategies.
- Not take legal or management control of any underlying investments.
- Permit hedging to protect the USD value of the investments provided this does not create net negative exposure (hedge not to exceed the value of assets being hedged) measured at the time the trade is placed.
- Permit exposure up to 50% of the assets of the Sub-Fund to closed-ended funds including investment trusts and exchange traded funds, provided that the security is listed on a Regulated Market or Other Regulated Market and that the trust operates on the principle of risk spreading.
- Will not directly acquire any asset that involves the assumption of any liability which is unlimited.
- Invest up to 85% of its assets in global equity, up to 100% of its assets in fixed income and cash and up to 40% of its assets in alternative strategies, mainly through collective investment schemes.

In addition to the restrictions above, the Sub-Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Sub-Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained and it may be necessary to dispose of assets in order to meet redemptions.

The Sub-Fund may during its period of existence invest in other investment vehicles where the Investment Manager or the Sub-Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager, the Sub-Investment Manager or any related party.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.4, 6.7, 6.8, 6.14, 6.16, 6.17, 6.18, 6.19, 6.20, 6.26, 6.37.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years) with an aim to achieve long term capital growth and seeking to reduce the volatility traditionally associated with investments in securities markets through broad asset class and manager diversification.

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology.

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#### **SCHEDULE D: EMIRATES BALANCED MANAGED FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Sub-Investment Manager:** Jupiter Asset Management Limited.

**Investment Objective:** The Sub-Fund will invest globally through collective investment schemes across a balanced spread of asset classes with the aim of providing long-term capital growth. It will seek to reduce the volatility traditionally associated with investments in securities markets by offering diversification across a broad spread of asset classes. Additionally, certain share classes of the Sub-Fund will also distribute income on a quarterly basis. Declarations of distribution will be made at the end of March, end of June, end of September & end of December of each year.

#### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- Hold units or shares of collective investment schemes (including exchange traded funds) and or securities of listed closed-ended funds that operate on the principle of risk spreading.
- Diversify its investments across a range of asset classes with a majority of the Sub-Fund's assets invested in collective investment schemes predominantly offering exposure to a range of equity and fixed income strategies as well as other asset classes that the Sub-Investment Manager perceives to be consistent with the mandate of the Sub-Fund. The Sub-Fund may also take indirect exposure to other asset classes through collective investment scheme including but not limited to commodities, property and alternative strategies.
- Permit hedging to protect the USD value of the investments provided this does not create net negative exposure (hedge not to exceed the value of assets being hedged) measured at the time the trade is placed.
- Permit exposure up to 50% of the assets of the Sub-Fund to closed-ended funds including investment trusts and exchange traded funds, provided that the security is listed on a Regulated Market or on an Other Regulated Market and that the trust operates on the principle of risk spreading.
- Will not directly acquire any asset that involves the assumption of any liability which is unlimited.
- Invest up to 60% of its assets in global equity, up to 100% of its assets in fixed income and cash and up to 40% of its assets in alternative strategies, mainly through collective investment schemes.

In addition to the restrictions above, the Sub-Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Sub-Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

The Sub-Fund may during its period of existence invest in other funds where the Investment Manager or the Sub-Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager, the Sub-Investment Manager or any related party.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.4, 6.7, 6.8, 6.14, 6.16, 6.17, 6.18, 6.19, 6.20, 6.26, 6.37.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years) with an aim to achieve long term capital growth and seeking to reduce the volatility traditionally associated with investments in securities markets through broad asset class and manager diversification.

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund's risk exposure shall be calculated in accordance with the Commitment methodology.

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## **SCHEDULE E: EMIRATES MENA FIXED INCOME FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund will aim to achieve a high level of income as well as capital growth, predominantly through a diversified portfolio of MENA debt securities of varying maturities along with cash and cash equivalent instruments such as money market funds with efficient portfolio management. The Sub-Fund may also take on exposure to issuers outside the MENA region. Additionally, certain share classes of the Sub-Fund will also distribute income on a quarterly basis. Declarations of distribution will be made at the end of March, end of June, end of September & December of each year.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- invest up to 100% of its assets in fixed and floating rate securities which shall be principally, but not limited to, MENA markets.
- The Sub-Fund may take exposure to non-MENA securities up to a limit of 30%.
- Under normal circumstances, hold, cash equivalent investments only when the Investment Manager reasonably regards it as necessary in order to enable redemptions of Shares to be made, for the efficient management of the Sub-Fund, to protect capital or where the interest rate is higher from these deposits than capital otherwise employed and in accordance with the Sub-Fund's investment objectives.
- Invest in collective investment schemes. No one collective investment schemes shall, at time of acquisition, represent more than 10% of the assets of the Sub-Fund.
- Not have more than 10% exposure to a single issuer or Money Market Instruments (excluding cash deposits). The counterparty limits for cash deposits required for efficient portfolio management purposes is 20%. Notwithstanding the limits set forth above and subject to sufficient shareholders' protection, the Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other country which is a member of the OECD or by a public international body of which one or more Member State(s) are member(s), provided that: (i) such securities are part of at least six different issues; and (ii) the securities from any such issue do not account for more than 30% of the net assets of the Sub-Fund.
- Invest in instruments to manage interest rate risk, currency risk and credit risk. Futures, forwards, options and swaps may be used to manage these risks. Where the Sub-Fund uses total return swaps, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to

the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.8, 6.11, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, and 6.33 .

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking fixed income diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund's risk exposure shall be calculated in accordance with the VaR methodology, as further defined above. The VaR is absolutely limited to 20% at the 99% confidence level. The leverage based on the sum of notional is expected to reach 100% maximum.

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## **SCHEDULE F: EMIRATES MENA TOP COMPANIES FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund will aim to achieve medium- to long-term capital growth, along with the option of an income paying share class, through investments made directly and indirectly, i.e. by way of investment funds in a portfolio of MENA equities. The Sub-Fund will use an active management style (utilizing both a top down approach to determine country and sector allocations and a bottom up approach to select individual securities) and take advantage of price distortions and specific opportunities that display potential for strong gains. The Sub-Fund can also make income distributions on a quarterly basis using both gains on investments and dividends received.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- Not invest more than 60% of its assets in any one MENA country.
- Not invest more than 10% of its assets in the securities of a single corporate issuer (excluding cash deposits). In addition to the above limit, the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its assets may not exceed 40% of the value of the assets of the Sub-Fund.
- Not borrow, other than for the purpose of meeting redemptions as stated elsewhere in the Prospectus.
- Not invest in unlimited liability obligations.
- Not take legal or management control in any of its investments.
- Not invest more than 40% of its assets in cash or cash equivalent instruments. Notwithstanding the above limit the Sub-Fund may not have more than 20% of its assets invested in cash deposits within the same body. The Sub-Fund shall not invest more than 10% of its assets in Money Market Instruments issued by the same entity.
- Not have exposure, in aggregate, to cash equivalent instruments and non-equity based investments, but excluding index derivatives, of greater than 50%.
- Invest in collective investment schemes up to a limit of 10% per underlying fund. For the purpose of the application of this investment limit, each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.
- Not directly acquire any asset that involves the assumption of any liability which is unlimited.
- Invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.
- In order to gain exposure to stocks listed on the markets of the Kingdom of Saudi Arabia, the Sub-Fund may hold participatory notes (P Notes), swaps or other instruments providing a synthetic form of exposure to such markets. P Notes will be treated as derivatives for the purposes of Section 10. Other forms of direct investment into Saudi equities could be employed if the appropriate means present themselves (such as Qualified Foreign Investor (QFI) quota).
- The Sub-Fund shall however not invest more than 10% of its assets in aggregate in UCITS and other UCIs.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained. Assets of the Sub-Fund may be held via a sub-custody arrangement where access by the Sub-Fund to a particular market or asset merits such an approach.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.7, 6.8, 6.9, 6.14, 6.15, 6.26.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), high risk profile and seeking exposure to GCC and MENA equities. Investors can also look to take advantage of active management style, price distortions and specific opportunities that display strong gains. Investors can expect to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub-Fund will seek to distribute to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

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## **SCHEDULE G: ENBD SAUDI ARABIA EQUITY FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund aims to provide investors with a managed portfolio of Saudi Arabian equities aiming to achieve capital appreciation over the medium to long term along with the option of an income paying share class. The Sub-Fund will use an active management style (utilizing both a top down approach to determine sector allocations and a bottom up approach to select individual securities) and take advantage of price distortions and specific opportunities that display potential for strong gains. The Sub-Fund will primarily invest in equities, but may also take exposure to other suitable asset classes such as fixed income instruments and cash. If the investment opportunity presents itself, the Sub-Fund can also make investments in other MENA countries. The Sub-Fund can also make income distributions on a quarterly basis using both gains on investments and dividends received.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- Not hold more than 20% of its assets in cash or cash equivalent instruments.
- Not invest more than 10% of its assets in the securities of a single corporate issuer (excluding cash deposits). In addition to the above limit, the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its assets may not exceed 40% of the value of the assets of the Sub-Fund.
- Not borrow other than for the purpose of meeting redemptions up to a limit of 10% of the NAV of the Sub-Fund.
- Not invest in unlimited liability obligations.
- Not take legal or management control in any of its investments.
- Not have exposure, in aggregate, to cash instruments and non-equity based investments, including structured finance but excluding index derivatives, of greater than 50%.
- Invest in collective investment schemes up to a limit of 10% per underlying fund. For the purpose of the application of this investment limit, each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.
- Not directly acquire any asset that involves the assumption of any liability which is unlimited.
- During its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.
- In order to gain exposure to stocks listed on the markets of the Kingdom of Saudi Arabia, the Sub-Fund may hold participatory notes (P Notes), swaps or other instruments providing a synthetic form of exposure to such markets. P Notes will be treated as derivatives for the purposes of Section 10. Other forms of direct investment into Saudi equities could be employed if the appropriate means present themselves (such as Qualified Foreign Investor (QFI) quota).
- The Sub-Fund shall however not invest more than 10% of its assets in aggregate in UCITS and other UCIs.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained. Assets of the Sub-Fund may be held via a sub-custody arrangement where access by the Sub-Fund to a particular market or asset merits such an approach. No underlying fund will be purchased with an annual Investment Management Fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.7, 6.8, 6.9, 6.14, 6.26.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), high risk profile and seeking exposure to Saudi Arabian equities. Investors can also look to take advantage of active management style, price distortions and specific opportunities that display strong gains. Investors can expect to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at semi-annual intervals, being end March, end June, end September and end December. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

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## **SCHEDULE H: EMIRATES GLOBAL SUKUK FUND**

**Shari'a Compliance:** Yes.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund is a Shari'a compliant sub-fund that will invest in a diversified portfolio of unsecured asset-based Sukuks both in the MENA region and globally. Sukuks will mainly qualify as Ijara, Wakala, Mudarabah and Murabah.

The primary investment objective of the Sub-Fund is to achieve high income as well as capital growth. Certain share classes of the Sub-Fund will make income distributions on a quarterly basis, predominantly derived from income generated by the underlying Sukuk or maturity proceeds of Sukuk. The Sub-Fund will achieve diversification by investing in a basket of eligible asset-based Sukuk with various maturities, from a variety of issuers.

**Benchmark:** None.

### **Islamic Sukuk Market:**

Sukuk are Islamic financial certificates which were extensively used by Muslims in the middle ages as papers representing financial obligations originating from trade and other commercial activities. However, the present structure of Sukuk is different from that originally used and is akin to the conventional concept of debt securitization, a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

Developments in the Sukuk sector have resulted in more sophisticated and specialised structures. Sukuks have been structured using different underlying contracts, the most popular of which has been an ijarah contract. Ijarah based Sukuks involve a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

Sukuk returns must be linked to the returns and cash flows generated by the asset purchased which is usually held in trust or through a special purpose vehicle. This deviates from conventional bonds in which the returns generated are generally solely interest based as the payment and receipt of interest is prohibited under Shari'a law. As such, financing must only be raised for identifiable assets.

The use of Sukuk has become increasingly popular in the last few years, both as a means of raising government finance through sovereign issues, and as a way for companies to obtain funding through the offer of corporate Sukuk. In 2001, there were only four Sukuk issued out of Malaysia and Bahrain. By 2007 there were over 100 Sukuk issued across ten countries. The first issues date back to 2000 and the growth and evolution of the Sukuk market, particularly in the Gulf region, is among the most significant developments in Islamic finance over recent years. Sukuk issuance more than doubled in 2007 to exceed \$60 billion and although 2008 saw a slowdown in issuance due to the global financial crisis, S&P reported Sukuk issuance reached \$51.2 billion in 2010. The Middle East and North Africa ("MENA") region has been a strong supporter of the Sukuk market and has contributed 33% of global Sukuk issues. A good example of this was the launch of the \$2.5 billion Sukuk programme by Dubai government which was very well subscribed. The universe also includes issues from Deutsche Bank AG and the recent issued GE Capital Sukuk.

Although the development of the Sukuk market is still in its nascent stages, there are a number of issues available to investors. Investors should however note that the Sukuk market is a relatively new market and may at times display less liquidity, involve higher trading costs and have other limitations as stated in the section 6, entitled 'Risk Factors'.

**Investment Restrictions:**

The Sub-Fund will, subject to the general investment restrictions in Section 10:

- Only invest in Sukuk approved by the Shari'a Board.
- Only hold cash (if any) in either a non-interest bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Hold up to 100% of the assets of the Sub-Fund in Transferable Securities including asset-based Sukuk. Under normal circumstances, cash equivalent investments or ancillary liquid instruments, such as Wakala and Murabaha instruments, may also be held when the Investment Manager regards it as necessary for the efficient management of the Sub-Fund, or where the profit rate is higher from these deposits than capital otherwise employed in the Sukuk market. Investors should be aware that, notwithstanding the investment restrictions stated herein, the Sub-Fund may concentrate its assets in a limited number of Sukuk (along with Murabaha and Wakala instruments).
- Manage Sukuk portfolio in a manner that no single Sukuk shall represent more than 10% of the value of the Sub-Fund.
- Invest in Shari'a compliant collective investment schemes up to a limit of 10% of the value of the Sub-Fund.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

The Sub-Fund may, during its period of existence invest in other Shari'a compliant collective investment schemes where the Investment Manager have a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

**Shari'a Guidelines:** The Sub-Fund will only use Shari'a compliant contracts and agreements and make investments in line with the restrictions mentioned above. Should the Sub-Fund earn from time to time any Non Shari'a Compliant Return, such return will be segregated from the assets of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari'a Board.

**Non Shari'a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari'a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari'a by the Shari'a Board, will be given to charity.

The Shari'a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari'a compliance and advise the Manager and the Fund accordingly.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.11, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.33, 6.38 and 6.39.

Where the Sub-Fund invests in other funds which are managed, directly or by delegation by the Investment Manager or by any other company of the Emirates NBD group of companies, the Sub-Fund shall not be charged any subscription or redemption fees on such investments.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

In addition to the risks in the “Risk Factors”, it should be noted that differences exist among Islamic scholars as to the nature of Shari’a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari’a Board, would determine that the Sub-Fund and its underlying investments are Shari’a compliant. In case of any doubt, investors should consult their own Shari’a advisors and scholars to determine the Shari’a compliance of the Sub-Fund before investing in the Sub-Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking Shari’a compliant fixed income diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

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## **SCHEDULE I: EMIRATES MENA OPPORTUNITIES FUND**

**Shari'a Compliance:** Yes.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund is a US Dollar denominated, open ended Shari'a compliant fund that aims to achieve medium- to long-term capital growth, along with the option of an income paying share class, through Shari'a compliant investments across a range of MENA markets.

### **Investment Restrictions:**

The Sub-Fund will, subject to the general investment restrictions in Section 10:

- Only invest in equities of those entities that meet the Shari'a guidelines below.
- Only hold cash (if any) in either a non-interest bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Invest up to 100% of the assets of the Sub-Fund in Shari'a compliant equity investments, both directly by holding Transferable Securities in its own name (or that of an appointed Depositary or Sub-Custodian as may be required from time to time) and indirectly via collective investment schemes.
- Not borrow.
- Not invest in unlimited liability obligations.
- Not take legal or management control in any of its investments.
- Invest in Shari'a compliant collective investment schemes. The Sub-Fund shall however not invest more than 10% of its assets in aggregate in UCITS and other UCIs.
- During its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.
- In order to gain exposure to stocks listed on the markets of the Kingdom of Saudi Arabia, the Sub-Fund may hold swaps or other instruments providing a Shari'a compliant form of exposure to such markets. Other forms of direct investment into Saudi equities could be employed if the appropriate means present themselves (such as Qualified Foreign Investor (QFI) quota).

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained. Assets of the Sub-Fund may be held via a sub-custody arrangement where access by the Sub-Fund to a particular market or asset merits such an approach.

**Shari'a Guidelines:** The Sub-Fund shall invest in equity of any entity that:

- (a) Are constituents of MSCI Islamic index, or Dow Jones Islamic index, or S&P Islamic Index or any Islamic Index as approved by the Shari'a Board; or
- (b) Are deemed Shari'a compliant as per the Unified Committee of Islamic Bank for Shari'a Screening of Equities; or
- (c) Are in line with the fatwa issued from time to time by the Sharia Board, as further described in its latest Sharia Manual.



Should the Sub-Fund earn from time to time any Non Shari'a Compliant Return, such return will be segregated from the asset of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari'a Board.

**Non Shari'a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari'a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari'a by the Shari'a Board, will be given to charity.

The Shari'a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari'a compliance and advise the Investment Manager and the Fund accordingly.

During the course of investment, the following scenarios may arise:

- (a) Change of status – a particular entity may change its status from being “Shari'a compliant” to become “Non-Shari'a compliant” due to various factors, including but not limited to, financing, takeovers, mergers and acquisitions, which may result in that entity's business activities and/or the financial ratios to be non-compliant with the Shari'a. Once a particular investment has changed its status from being Shari'a compliant to become non-Shari'a compliant, the Sub-Fund must exit its position in such entity within 45 calendar days of becoming informed. If the investment is in a loss and the Investment Manager believes that some of the losses can be recovered by holding the stock, the Sub-Fund can hold the stock for a maximum of 90 days. The Sub-Fund may re-invest in the entity once it has become Shari'a compliant again.
- (b) Incorrect investment – it may be identified that the entity was not Shari'a compliant at the time of investment. In such instances, the Sub-Fund must exit its position in such securities immediately.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.4, 6.7, 6.9, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.26, 6.38.

Where the Sub-Fund invests in other funds which are managed, directly or by delegation by the Investment Manager or by any other company of the Emirates NBD group of companies, the Sub-Fund shall not be charged any subscription or redemption fees on such investments.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

In addition to the risks in the “Risk Factors”, it should be noted that differences exist among Islamic Scholars as to the nature of Shari'a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari'a Board, would determine that the Sub-Fund and its underlying investments are Shari'a compliant. In case of any doubt, investors should consult their own Shari'a advisors and scholars to determine the Shari'a compliance of the Sub-Fund before investing in the Sub-Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), high risk profile and seeking exposure to Shari'a compliant MENA securities and other investment opportunities into diversified asset classes. Investors can expect to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class of holders at quarterly intervals, being end March, end June, end September and end December. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund were the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund's risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

## **SCHEDULE J: EMIRATES ISLAMIC GLOBAL BALANCED FUND**

**Shari'a Compliance:** Yes.

**Reference Currency:** USD.

### **Investment Objective:**

The Sub-Fund will seek to achieve long-term capital growth through investment across equities, asset-based Sukuks (such as mainly Sukuks structured as Ijara, Wakala, Mudarabah and Murabah) and cash. It will invest predominantly through Shari'a compliant collective investment schemes.

### **Investment Restrictions:**

The Sub-Fund will, subject to the general investment restrictions in Section 10:

- Only invest in Sukuk, Shari'a compliant collective investment schemes and other instruments that are pre-approved by the Shari'a Board for investment.
- Only hold cash (if any) in either a non-interest bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Hold units or shares of collective investment schemes (including exchange traded funds) and or Transferable Securities of closed-ended funds that operate on the principle of risk spreading.
- Diversify its investments across a range of asset classes with a majority of the Sub-Fund's assets invested in Shari'a compliant collective investment schemes predominantly offering exposure to a range of equity and asset-based Sukuk based strategies as well as other asset classes that the Investment Manager perceives to be consistent with the mandate of the Sub-Fund. The Sub-Fund may also take indirect exposure to other asset classes including but not limited to commodities, real estate and alternative strategies.
- Not take legal or management control of any underlying investments.
- Not directly acquire any asset that involves the assumption of any liability which is unlimited.

Exposure to these asset classes within the Sub-Fund will be principally achieved indirectly through the use of collective investment schemes investing in such instruments although the Sub-Fund may take direct exposure to all asset classes if the Investment Manager believes it would be prudent to do so, and to the extent permitted by the Luxembourg law and regulations. The Sub-Fund will seek to mitigate the effects of securities market volatility through efficient portfolio management, asset allocation and asset class diversification.

No underlying fund will be purchased with an annual Management Fee greater than 2%.

The Sub-Fund may directly hold Shari'a compliant deposits. Due to the perceived low risk of these types of assets, these can be held directly by the Sub-Fund or through sub-custody arrangements where required.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

The Sub-Fund may during its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors

should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

**Shari’a Guidelines:**

Investments made by the Sub-Fund will only be into assets that are in compliance with Shari’a principles and are pre-approved by the Shari’a Board under principles as further described in its Sharia manual. Should the Sub-Fund earn from time to time any Non Shari'a Compliant Return, such return will be segregated from the assets of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari’a Board.

**Non Shari’a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari’a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari’a by the Shari’a Board, will be given to charity.

The Shari’a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari’a compliance and advise the Manager and the Fund accordingly.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.4, 6.7, 6.14, 6.15, 6.16, 6.26, 6.37, 6.38 and 6.39.

In addition to the risks in the “Risk Factors”, it should be noted that differences exists among Islamic Scholars as to the nature of Shari’a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari’a Board, would determine that the Sub-Fund and its underlying investments are Shari'a compliant. In case of any doubt, investors should consult their own Shari’a advisors and scholars to determine the Shari’a compliance of the Sub-Fund before investing in the Sub-Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years) with an aim to achieve long term capital growth and seeking to reduce the volatility traditionally associated with investments in securities markets through broad asset class and manager diversification in a Shari’a compliant manner.

**Valuation:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class of holders at quarterly intervals, being end March, end June, end September and end December. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund were the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

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## **SCHEDULE K: EMIRATES INDIA EQUITY FUND**

**Shari'a Compliance:** YES.

**Reference Currency:** USD.

**Sub-Investment Manager:** UTI International (Singapore) Private Limited.

### **Investment Objective:**

The Sub-Fund will aim to achieve medium- to long-term capital growth, along with the option of an income paying share class, through investments made directly and indirectly, i.e. by way of investment funds in a portfolio of Shari'a compliant Indian equities. The Sub-Fund will use an active management style and take advantage of price distortions and specific opportunities that display potential for strong gains. The Sub-Fund will invest in stocks which are, in the opinion of the Shari'a Board, compliant with Shari'a.

### **Investment Restrictions:**

Subject to the general investment restrictions in Section 10, the Sub-Fund may:

- Only hold cash (if any) in either a non-interest bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Not invest more than 10% of its assets in the securities of a single corporate issuer (excluding cash deposits). In addition to the above limit, the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its assets may not exceed 40% of the value of the assets of the Sub-Fund.
- Not borrow.
- Not take legal or management control in any of its investments.
- Not invest more than 20% of its assets in cash or cash equivalent instruments. The Sub-Fund shall not invest more than 10% of its assets in Money Market Instruments issued by the same entity.
- Invest in recognised Shari'a compliant collective investment schemes up to a limit of 10%. For the purpose of the application of this investment limit, each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured. No underlying fund will be purchased with an annual Management Fee greater than 2%.
- Not directly acquire any asset that involves the assumption of any liability which is unlimited.
- Invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained. Assets of the Sub-Fund may be held via a sub-custody arrangement where access by the Sub-Fund to a particular market or asset merits such an approach.

### **Shari'a Guidelines:**

Investments made by the Sub-Fund will only be into assets that are in compliance with Shari'a principles and are pre-approved by the Shari'a Board under principles as further described in its Sharia manual. Should the Sub-Fund

earn from time to time any Non Shari'a Compliant Return, such return will be segregated from the assets of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari'a Board.

**Non Shari'a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari'a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari'a by the Shari'a Board, will be given to charity. The Shari'a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari'a compliance and advise the Manager and the Fund accordingly.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.6, 6.7, 6.8, 6.9, 6.13, 6.14, 6.15, and 6.26.

In addition to the risks in the "Risk Factors", it should be noted that differences exists among Islamic Scholars as to the nature of Shari'a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari'a Board, would determine that the Sub-Fund and its underlying investments are Shari'a compliant. In case of any doubt, investors should consult their own Shari'a advisors and scholars to determine the Shari'a compliance of the Sub-Fund before investing in the Sub-Fund.

Capital gains on direct investments in Indian equities may under certain conditions be taxed in India.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), high risk profile and seeking exposure to Shari'a compliant Indian equities. Investors can also look to take advantage of active management style, price distortions and specific opportunities that display strong gains.

**Valuation:** Daily.

**Distributions:** The Sub Fund will seek to distribute income to relevant class holders at quarterly intervals, being end March, end June, end September and end December. For avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund's risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

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## **SCHEDULE M: EMIRATES Index Tracking SUKUK ETF**

**Shari’a Compliance:** Yes.

**Reference Currency:** USD.

**Investment Objective:** The Sub-Fund is a Shari’a compliant sub-fund that will seek to track the investment results of the ENBD-Markit iBoxx Sukuk Index, before the sub-fund’s fees and expenses. The Fund Manager will seek to achieve the Sub-Fund’s investment objective by investing the Sub-Fund’s assets directly in USD denominated sukuku in each case as determined by the Index Provider and which are for the time being constituent securities of the Index.

**Benchmark:** ENBD-Markit iBoxx Sukuk Index.

### **Primary Investment Strategies:**

The Sub-Fund seeks to track the investment results of the ENBD-Markit iBoxx Sukuk Index (the “Underlying Index”). The Underlying Index includes US Dollar denominated sukuku with USD 250 million or more of outstanding face value. The Underlying Index is intended to reflect the performance of a number of underlying sukuku which are weighted to account for economic significance and is a sufficiently diversified index for the purpose of Article 53 of Directive 2009/65/EC.

The Fund Manager uses a “passive” or indexing approach to try to achieve the Sub-Fund’s investment objective. Indexing tracking may eliminate the chance that the Fund will substantially outperform the Underlying Index but also may reduce some of the risks of active management, such as poor security selection. The tracking error measures the volatility of the difference between returns of the Sub-Fund and the returns of the reference index. In normal market conditions, it is anticipated that the Sub-Fund will track the performance of the Underlying Index with a tracking error of up to 1.00%. Factors that are likely to affect the ability of the Sub-Fund to track the performance of the Underlying Index include transaction costs, coupon reinvestment and increased absolute volatility.

The Fund Manager uses a sampling indexing strategy to manage the Fund. Sampling is an indexing strategy to invest in a representative sample of securities that collectively has an investment profile similar to that of the Underlying Index in terms of maturity, credit quality, sector, duration and other financial characteristics of fixed income instruments. The Fund may or may not hold all of the securities in the Underlying Index if practicable. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Sub-Fund’s portfolio of securities will be rebalanced from time to time to reflect any changes to the composition of, or the weighting of securities in, the Underlying Index with a view to minimizing tracking error of the Sub-Fund’s overall returns relative to the performance of the Index.

The Fund will invest at least 80% of its total assets in component securities that comprise the Underlying Index.

### **Index Methodology/Construction:**

The Underlying Index is developed by Markit Indices Limited. Markit designs, calculates, compiles and publishes cash bond indices under the names and marks “iBoxx”. Markit is developing the ENBD Markit iBoxx Sukuk Index, comprising USD denominated International Sukuku.

The Underlying Index is a rules-based index (i.e., an index constructed using specified criteria). The Underlying Index is (market capitalization/price) weighted and the securities are updated on the last business day of each month.

Full description and the complete methodology for the construction of the Index and information on the composition and respective weightings of the Index is available on the website: [www.markit.com/indices](http://www.markit.com/indices).

Eligibility criteria

- (i) Issuers
- (ii) Types of sukuk
- (iii) Selection criteria
- (iv) Country/sector allocation
- (v) Target weights

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

**Shari'a Guidelines:** The Sub-Fund will only use Shari'a compliant contracts and agreements and make investments in line with the restrictions mentioned above. Should the Sub-Fund earn from time to time any Non Shari'a compliant return as defined below, such return will be segregated from the assets of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari'a Board.

**Non Shari'a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari'a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari'a by the Shari'a Board, will be given to charity.

The Shari'a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari'a compliance and advise the Manager and the Fund accordingly.

**Specifics of the ETF:** The primary market is the market on which shares are issued by the Fund to and/or redeemed by the Fund. In relation to the Sub-Fund, the primary market is essentially relevant to the authorized participants of the Sub-Fund. The general conditions of subscription and redemption, as further detailed in Section 7 Shares of the Prospectus shall apply with regards to the primary market.

The secondary market is the market on which the shares can be purchased and/or sold directly on the stock exchanges.

The Fund intends that all Shares in the Sub-Fund are traded throughout the day on at least one regulated market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of its share class does not significantly vary from its NAV or iNAV.

It is therefore contemplated to make an application to list the Shares of the Sub-Fund on one or several stock exchanges. The Board may at any time decide to list the Shares on several stock exchanges. A full list of these stock exchanges where the shares can be bought and sold can be obtained from the registered office of the Fund.

It is also intended to appoint a market maker for the Sub-Fund. For the avoidance of doubt, other market makers could be appointed from time to time by the SICAV in respect of one or several stock exchange on which the certain shares classes are listed.

For all purchases and/or sales of shares made on the secondary market, no minimum purchase and/or sale is required other than the minimum that may be required by the relevant stock exchange. The Fund will not charge directly any fee in relation to the purchase or sale of the shares of ETF on any exchange where they are listed. However, market intermediaries may charge broker fees or other kind of fees, which the Fund will not receive. In

addition, investors may pay more than the current NAV when buying shares and may receive less than the current NAV when selling them.

The shares of the sub-funds purchased on the secondary market are generally not redeemable from the SICAV.

In the event of a suspension of the secondary market, not based on an index liquidity event, the Fund may allow shareholders to redeem their shares on the primary market at a price based at the applicable NAV per share, provided that the NAV per shares is not itself suspended under the applicable regulations and/or the prospectus and/or the articles of incorporation.

The suspension of the secondary market means any situation where it is impossible for shareholders to sell their shares on all the stock exchanges where the considered share is listed for a period of at least of 3 business days since the occurrence of (i) the suspension of quotation by the market operator or (ii) the impossibility to trade observed by all shareholders on the considered stock exchange, and which is based on either:

- The significant variation of the stock exchange value of the considered listed shares of the sub-fund in comparison with its indicative NAV;
- The lack of authorized participants, or the inability by the authorized participants to meet their commitment to conduct their business by means of a permanent presence on the market, thus making it impossible to trade the considered shares on the considered place of quotation to which the share class is admitted;
- The index liquidity event means any market disruption event and/or any liquidity issue affecting part or all the components of the index, which leads to a suspension of their market appreciation.

Redemption orders dealt with in these circumstances in accordance of the terms of the redemption procedure will not be subject to the potentially applicable minimum redemption thresholds and the redemption costs should only consist in the exit charge as described for each Sub-Fund Description.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.11, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.24, 6.33 and 6.39.

In addition to the risks in the “Risk Factors”, it should be noted that differences exists among Islamic scholars as to the nature of Shari’a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari’a Board, would determine that the Sub-Fund and its underlying investments are Shari’a compliant. In case of any doubt, investors should consult their own Shari’a advisors and scholars to determine the Shari’a compliance of the Sub-Fund before investing in the Sub-Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking a passive Shari’a compliant strategy to fixed income diversification.

**Valuation:** Daily.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the commitment methodology.

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## Appendix 2: Summary of Fees and Expenses for Sub-Funds

The tables below set out:

- The relevant Management Fee, performance fees and fixed fees and expenses for each Sub-Fund
- The relevant benchmark or hurdle rates, where applicable, for the purposes of calculating the performance and performance fee (where applicable) for each sub-fund
- Whether the Management Company has the discretion to move the pricing basis in accordance with the provision of swing pricing as outlined in section 9.8 in respect of each Sub-Fund
- The minimum subscription and holding amounts, and minimum additional subscription amount for each Sub-Fund, if different from those specified in Section 7 “The Shares”

Detailed information about the various fund charges is set out in Section 9 “Management and fund charges”. Specific charges on each share class is detailed below.

Initial charges

### **Sub-Funds: Emirates Emerging Market Debt Fund, Emirates MENA Fixed Income Fund, Emirates Global Sukuk Fund and Emirates Index Tracking Sukuk ETF**

Directors of the Fund have determined that different Share Classes shall carry different subscription charges.

In respect of the A, E, G, GI, I, P, R and S Share Classes, the Directors have determined that the Global Distributor or any of the appointed sub-distributors may levy a subscription charge not exceeding 4% of the subscription amount (or such higher percentage as may from time to time be determined by the Directors subject to this prospectus being amended) to be retained for its absolute use and benefit.

The Directors may, at their sole discretion, decide to reduce or waive this subscription charge in specific circumstances.

In respect of the B Share Classes, there is no subscription charge and investors will receive an initial allotment of Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 1.20% of the value of any subscription, (the "Deferred Sales Fee") will be payable by the Share Class to the Investment Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Fund on each Valuation Day for the first year since subscription. The Deferred Sales Fee will therefore be reflected in the Net Asset Value of the Share Class. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

In respect of the C Share Classes, there is no subscription charge and investors will receive an initial allotment of Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 4% of the value of any subscription, (the "Deferred Sales Fee") will be payable by the Fund to the Investment Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Fund on each Valuation Day

for the first five years since subscription. The Deferred Sales Fee will therefore be reflected in the Net Asset Value of the Share Class. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

**Sub-Funds: Emirates Global Quarterly Income Fund, Emirates Active Managed Fund, Emirates Balanced Managed Fund, Emirates Islamic Global Balanced Fund, Emirates MENA Opportunities Fund, Emirates MENA Top Companies Fund, ENBD Saudi Arabia Equity Fund and Emirates India Equity Fund**

Directors of the Fund have determined that different Share Classes shall carry different subscription charges.

In respect of the A, E, G, GI, I, P, R and S Share Classes, the Directors have determined that the Global Distributor or any of the appointed sub-distributors may levy a subscription charge not exceeding 5% of the subscription amount (or such higher percentage as may from time to time be determined by the Directors subject to this prospectus being amended) to be retained for its absolute use and benefit.

The Directors may, at their sole discretion, decide to reduce or waive this subscription charge in specific circumstances.

In respect of the B Share Classes, there is no subscription charge and investors will receive an initial allotment of Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 1.20% of the value of any subscription, (the "Deferred Sales Fee") will be payable by the Share Class to the Investment Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Fund on each Valuation Day for the first year since subscription. The Deferred Sales Fee will therefore be reflected in the Net Asset Value of the Share Class. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

In respect of the C Share Classes, there is no subscription charge and investors will receive an initial allotment of Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 5% of the value of any subscription, (the "Deferred Sales Fee") will be payable by the Fund to the Investment Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Fund on each Valuation Day for the first five years since subscription. The Deferred Sales Fee will therefore be reflected in the Net Asset Value of the Share Class. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

Summary of management fees

<b>Emirates Emerging Market Debt Fund</b>								
<b>Class</b>	<b>Currency</b>	<b>Management Fee (p.a.)</b>	<b>Performance fee</b>	<b>Deferred Sales Fee</b>	<b>Class type</b>	<b>Minimum initial investment</b>	<b>Minimum top up</b>	<b>Minimum holding</b>
A	USD	1.50%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
A	SGD***	1.50%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	SGD40,000	SGD 10,000	SGD15,000
A	EUR ***	1.50%	15% on returns above the Hurdle Rate Return**	Nil	Acc	EUR20,000	EUR10,000	EUR12,500
B*	USD	1.60%	15% on returns above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	SGD***	1.60%	15% on returns above the Hurdle Rate Return**	See table below	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
B*	GBP***	1.60%	15% on returns above the Hurdle Rate Return**	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	USD	1.60%	15% on returns above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	SGD***	1.60%	15% on returns above the Hurdle Rate Return**	See table below	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
C*	GBP***	1.60%	15% on returns above the Hurdle Rate	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500

			Return**					
E	AED	1.6%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	AED75,000	AED75,000	AED50,000
G*	USD	1.60%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
G*	SGD***	1.60%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
I	USD	1.25%	15% on returns above the Hurdle Rate Return**	Nil	Inc and Acc	\$1,000,000	\$250,000	\$500,000
P	USD	1.25%	Nil	Nil	Inc and Acc	\$10,000,000	\$2,500,000	\$5,000,000
Swing pricing			Up to 1.5 % in accordance with section 9.7 of the prospectus					

\* Distribution fee of 0.50% per annum applies

\*\* The Hurdle Rate Return will be equal to Goldman Sachs USD GS 3 Month Money Market Index plus 400 bps, applicable to the aggregate of the NAV of the Share Class as at the Calculation Day of the previous quarter (or the NAV on launch of the Share Class in respect of the first Calculation Day), and the total of all subsequent subscriptions less all subsequent redemptions (calculated at the time of the relevant subscription or redemption) made in respect of the Share Class since the Calculation Day of the previous quarter (or since launch of the Sub-Fund in respect of the first Calculation Day.)

\*\*\* 100% hedged into USD

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	4%
12 months to 24 months	3.2%
24 months to 36 months	2.4%
36 months and 48 months	1.6%
48 months and 60 months	0.8%
More than 60 months	0%

The gross exposure shall not exceed 200%.

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Emirates Global Quarterly Income Fund							
Class	Currency	Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.50%	Nil	Inc, Inc <sup>2</sup> and Acc	\$25,000	\$10,000	\$10,000
A	SGD***	1.50%	Nil	Inc and Acc	SGD40,000	SGD 10,000	SGD15,000
A	GBP***	1.50%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
B*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	SGD***	1.60%	See table below	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
B*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
B*	EUR***	1.60%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR12,500
C*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	SGD***	1.60%	See table below	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
C*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	EUR***	1.60%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR12,500
E	AED	1.6%	Nil	Inc and Acc	AED80,000	AED80,000	AED50,000
G*	USD	1.60%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
G*	SGD***	1.60%	Nil	Inc and Acc	SGD40,000	SGD5,000	SGD15,000
G*	GBP***	1.60%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500

G*	AED	1.60%	Nil	Inc and Acc	AED80,000	AED80,000	AED50,000
I	USD	1.25%	Nil	Inc, Inc <sup>2</sup> and Acc	\$1,000,000	\$250,000	\$500,000
S	USD	1.50%	Nil	Acc	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

\*\*\* 100% hedged into USD

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates Active Managed Fund							
Class	Currency	Investment Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.50%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	EUR***	1.60%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR12,500
G*	USD	1.60%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
G*	GBP***	1.60%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
G*	AED	1.60%	Nil	Inc and Acc	AED80,000	AED80,000	AED50,000
S	USD	1.50%	Nil	ACC	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

\*\*\* 100% hedged into USD

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%

36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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<b>Emirates Balanced Managed Fund</b>							
<b>Class</b>	<b>Currency</b>	<b>Investment Management Fee (p.a.)</b>	<b>Deferred Sales Fee</b>	<b>Class type</b>	<b>Minimum initial investment</b>	<b>Minimum top up</b>	<b>Minimum holding</b>
A	USD	1.50%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	USD	1.60%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	GBP***	1.60%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	EUR***	1.60%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR12,500
G*	USD	1.60%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
G*	GBP***	1.60%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
G*	AED	1.60%	Nil	Inc and Acc	AED80,000	AED80,000	AED50,000
S	USD	1.50%	Nil	Acc	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

\*\*\* 100% hedged into USD

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%

36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates MENA Fixed Income Fund							
Class	Currency	Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.25%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
A	GBP***	1.25%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
A	EUR***	1.25%	Nil	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
B*	USD	1.25%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	GBP***	1.25%	See table below	Acc	GBP15,000	GBP5,000	GBP7,500
B*	EUR***	1.25%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
C*	USD	1.25%	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	GBP***	1.25%	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	EUR***	1.25%	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
E	AED	1.25%	Nil	Acc	AED3,500,000	AED1,000,000	AED1,000,000
G*	USD	1.35%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
GI*	USD	1.40%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
I	USD	1.00%	Nil	Inc and Acc	\$1,000,000	\$250,000	\$500,000
R	USD	1.00%	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
R	GBP***	1.00%	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
R	EUR***	1.00%	Nil	Inc and Acc	EUR20,000	EUR10,000	EUR10,000

\* Distribution fee of 0.50% per annum applies

\*\*\* 100% hedged into USD

Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	4%
12 months to 24 months	3.2%
24 months to 36 months	2.4%
36 months and 48 months	1.6%
48 months and 60 months	0.8%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates MENA Top Companies Fund								
Class	Currency	Management Fee (p.a.)	Performance fee	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
A	GBP***	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
A	EUR***	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
B*	USD	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	GBP***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
B*	EUR***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
C*	USD	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	GBP***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
C*	EUR***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	EUR20,000	EUR10,000	EUR10,000

E	AED	2.00%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	AED50,000	AED25,000	AED25,000
G*	USD	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
G*	GBP***	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
I	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$1,000,000	\$250,000	\$250,000
P	USD	1.50%	Nil	Nil	Inc and Acc	\$5,000,000	\$2,500,000	\$250,000
P	EUR***	1.50%	Nil	Nil	Inc and Acc	EUR5,000,000	EUR2,500,000	EUR250,000
R	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
R	GBP***	1.50%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	GBP15,000	GBP5,000	GBP7,500
R	EUR***	1.50%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	EUR20,000	EUR10,000	EUR10,000
Swing pricing			Up to 1.5 % in accordance with section 9.7 of the prospectus					

\* Distribution fee of 0.50% per annum applies

\*\*The "Hurdle Rate Return" will be equal to the amount calculated by applying an annual rate of return of 10% to the aggregate of:

- the NAV of the Share Class as at the Calculation Day of the previous quarter (including distributions payable (if any) at that Calculation Day) (or the NAV on launch of the Share Class in respect of the first Calculation Day), and
- the total of all subsequent subscriptions less all subsequent redemptions (calculated at the time of the relevant subscription or redemption) made in respect of the Share Class since the Calculation Day of the previous quarter (or since launch of the Sub-Fund in respect of the first Calculation Day.)

\*\*\* 100% hedged into USD

Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

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ENBD Saudi Arabia Equity Fund								
Class	Currency	Management Fee (p.a.)	Performance fee	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	USD	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
B*	EUR***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	EUR25,000	EUR10,000	EUR10,000
B*	AED	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	AED100,000	AED25,000	AED25,000
C*	USD	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	\$25,000	\$10,000	\$10,000
C*	EUR***	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	EUR25,000	EUR10,000	EUR10,000
C*	AED	1.75%	10% above the Hurdle Rate Return**	See table below	Inc and Acc	AED100,000	AED25,000	AED25,000
G*	USD	1.75%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
I	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Inc and Acc	\$1,000,000	\$250,000	\$250,000
P	USD	1.50%	Nil	Nil	Inc	\$5,000,000	\$250,000	\$250,000



					and Acc	0		
Swing pricing			Up to 1.5 % in accordance with section 9.7 of the prospectus					

\* Distribution fee of 0.50% per annum applies

\*\*The "Hurdle Rate Return" will be 10% annualized and calculated on a quarterly basis, applicable to the aggregate of the NAV of the Share Class as at the Calculation Day of the previous quarter (or the NAV on launch of the Share Class in respect of the first Calculation Day), and the total of all subsequent subscriptions less all subsequent redemptions (calculated at the time of the relevant subscription or redemption) made in respect of the Share Class since the Calculation Day of the previous quarter (or since launch of the Sub-Fund in respect of the first Calculation Day.)

\*\*\* 100% hedged into USD

Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

Emirates Global Sukuk Fund							
Class	Currency	Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.25%	Nil	Inc and Acc	\$10,000	\$5,000	\$5,000
A	GBP	1.25%	Nil	Inc and Acc	£5,000	£4,000	£4,000
A	EUR	1.25%	Nil	Inc and Acc	EUR7,000	EUR4,000	EUR4,000
B*	USD	1.25%	See table below	Inc and Acc	\$10,000	\$5,000	\$5,000
B*	EUR	1.25%	See table below	Inc and Acc	EUR7,000	EUR4,000	EUR4,000
B*	AED	1.25%	See table below	Inc and Acc	AED100,000	AED25,000	AED25,000
C*	USD	1.25%	See table below	Inc and Acc	\$10,000	\$5,000	\$5,000
C*	EUR	1.25%	See table below	Inc and Acc	EUR7,000	EUR4,000	EUR4,000
C*	AED	1.25%	See table below	Inc and Acc	AED100,000	AED25,000	AED25,000
G*	USD	1.25%	Nil	Inc and Acc	\$10,000	\$5,000	\$5,000
I	USD	1.10%	Nil	Inc and Acc	\$1,000,000	\$250,000	\$500,000
R	USD	1.10%	Nil	Inc and Acc	\$10,000	\$5,000	\$5,000
R	GBP	1.10%	Nil	Inc and Acc	£5,000	£4,000	£4,000
R	EUR	1.10%	Nil	Inc and Acc	EUR 7,000	EUR4,000	EUR4,000
S	USD	1.25%	Nil	Acc	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%

12 months +	0%
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Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	4%
12 months to 24 months	3.2%
24 months to 36 months	2.4%
36 months and 48 months	1.6%
48 months and 60 months	0.8%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates MENA Opportunities Fund								
Class	Currency	Management Fee (p.a.)	Performance fee	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	\$10,000	\$5,000	\$5,000
B*	USD	1.50%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	\$10,000	\$5,000	\$5,000
B*	EUR	1.50%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	EUR10,000	EUR5,000	EUR5,000
B*	AED	1.75%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	AED100,000	AED25,000	AED25,000
C*	USD	1.50%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	\$10,000	\$5,000	\$5,000
C*	EUR	1.50%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	EUR10,000	EUR5,000	EUR5,000
C*	AED	1.75%	10% above the Hurdle Rate Return**	See table below	Acc/ Inc	AED100,000	AED25,000	AED25,000
E	AED	1.75%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	AED50,000	AED25,000	AED25,000
G*	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	\$10,000	\$5,000	\$5,000
I	USD	1.50%	10% above	Nil	Acc/	\$1,000,00	\$250,000	\$250,000

			the Hurdle Rate Return**		Inc	0		
P	USD	1.50%	Nil	Nil	Acc/ Inc	\$5,000,000	\$250,000	\$250,000
R	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	\$10,000	\$5,000	\$5,000
R	GBP	1.50%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	£5,000	£4,000	£4,000
R	EUR	1.50%	10% above the Hurdle Rate Return**	Nil	Acc/ Inc	EUR10,000	EUR5,000	EUR5,000
S	USD	1.50%	10% above the Hurdle Rate Return**	Nil	Acc	USD 10	USD 10	USD 10
Swing pricing			Up to 1.5 % in accordance with section 9.7 of the prospectus					

\* Distribution fee of 0.50% per annum applies

\*\*The "Hurdle Rate Return" will be equal to the amount calculated by applying an annual rate of return of 10% to the aggregate of:

- the NAV of the Share Class as at the Calculation Day of the previous quarter (payable at that Calculation Day) (or the NAV on launch of the Share Class in respect of the first Calculation Day), and
- the total of all subsequent subscriptions less all subsequent redemptions (calculated at the time of the relevant subscription or redemption) made in respect of the Share Class since the Calculation Day of the previous quarter (or since launch of the Sub-Fund in respect of the first Calculation Day.)

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

Emirates Islamic Global Balanced Fund							
Class	Currency	Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.60%	Nil	Acc/ Inc	\$10,000	\$5,000	\$5,000
B*	USD	1.60%	See table below	Acc/ Inc	\$10,000	\$5,000	\$5,000
B*	AED	1.60%	See table below	Acc/ Inc	AED100,000	AED25,000	AED25,000
C*	USD	1.60%	See table below	Acc/ Inc	\$10,000	\$5,000	\$5,000
C*	AED	1.60%	See table below	Acc/ Inc	AED100,000	AED25,000	AED25,000
G*	USD	1.60%	Nil	Acc/ Inc	\$10,000	\$5,000	\$5,000
S	USD	1.60%	Nil	Acc	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates India Equity Fund							
Class	Currency	Management Fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	1.75%	Nil	Acc / Inc	\$25,000	\$10,000	\$10,000
B*	USD	1.75%	See table below	Acc/ Inc	\$25,000	\$10,000	\$10,000
C*	USD	1.75%	See table below	Acc/ Inc	\$25,000	\$10,000	\$10,000
G*	USD	1.75%	Nil	Acc/ Inc	\$25,000	\$10,000	\$10,000
GI*	USD	1.80%	Nil	Acc/ Inc	\$25,000	\$10,000	\$10,000
I	USD	1.25%	Nil	Acc/ Inc	\$1,000,000	\$250,000	\$500,000
S	USD	1.75%	Nil	Acc	\$10	\$10	\$10

\* Distribution fee of 0.50% per annum applies

#### Deferred Sales Fee schedule for B Class

Time period	Deferred Sales Fee
Up to 12 months	1.2%
12 months +	0%

#### Deferred Sales Fee schedule for C Class

Time period	Deferred Sales Fee
Up to 12 months	5%
12 months to 24 months	4%
24 months to 36 months	3%
36 months and 48 months	2%
48 months and 60 months	1%
More than 60 months	0%

The Sub-Fund will not invest in any underlying fund with an annual Management Fee in excess of 2%.

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Emirates Index Tracking SUKUK ETF								
Class	Currency	Management Fee (p.a.)	Performance fee	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up	Minimum holding
A	USD	0.50%	Nil	Nil	Inc and Acc	\$25,000	\$10,000	\$10,000
E	AED	0.50%	Nil	Nil	Inc and Acc	AED 100,000	AED 25,000	AED 25,000

#### Administration Fees

For its services as Administrator and unless otherwise agreed for a specific Sub-Fund, State Street Bank Luxembourg S.C.A. shall receive an annual fee based upon a reducing scale, from 0.45% to 0.15%, depending upon the value of the Fund's net assets. This fee is calculated and accrued on each Valuation Day and is payable by the Fund monthly in arrears and as agreed from time to time in writing.

Such fee shall accrue at each Valuation Point and shall be payable to the Administrator by monthly payments in arrears and shall be payable out of the assets of each Sub-Fund within fifteen days of the relevant month's end. Additional charges may arise from time to time at the discretion of the Directors.

#### Depositary Fees

The Depositary, or other such depositary who may at the discretion of the Directors be appointed to the Sub-Fund, will be paid custody fees at market rates, or as agreed between the Fund, and the Depositary from time to time, subject to a maximum rate of 12 bps per annum based on the daily average net assets of each Sub-Fund.

The Custody Fees are divided into two categories for each market of investment, namely safekeeping fees and transaction fees. The safekeeping fee is an annual fee, billable monthly, based on the value of the month end assets. Safekeeping fees are based on a "per country" basis and include the safekeeping fees charged by any sub custodians. The transaction fee is essentially a trade settlement fee and also includes any sub custodian expenses.

Such fees in respect of the Sub-Fund will accrue at each Valuation Day and shall be payable monthly in arrears to the Depositary from the assets of the Sub-Fund and within fifteen days of the relevant month's end.

For the avoidance of doubt, therefore, these fees will not apply for leverage taken solely to meet any temporary shortages of funds created by redemption requests for the redemption of Shares or leverage used because of timing differences in connection with the purchase and settlement of Fund property. No leverage may be taken by a Sub-Fund which is Shari' compliant.

#### Management Company Fees



In consideration of its services, the Management Company is entitled to receive fees of up to 0.05% p.a. with a minimum of €40,000 p.a. for the Fund made up of two Sub-Funds. A minimum fee of EUR 15,000. will be charged for each additional Sub-Fund . These fees shall be calculated based on the quarterly average of the Net Asset Value of the Sub-Funds and shall be paid quarterly in arrears. In addition to the Management Company Fees, the Management Company is entitled to a fee of EUR 11,000. p.a per non-complex Sub-Fund and EUR 16,000.- p.a per complex Sub-Fund for the additional performance of risk management and investment compliance services. Moreover, the Management Company shall be entitled to receive out of the assets of the Company additional fees corresponding to the provision of additional services, as agreed from time to time, allowing the Company to comply with any new regulatory requirements impacting the Company. In addition, the Management Company shall be entitled to receive reimbursement for its reasonable disbursements, included but not limited to out-of-pocket expenses, incurred in the performance of its duties. Third parties to whom functions have been delegated by the Management Company with the approval of the Fund will be remunerated directly by the Fund (out of the assets of the relevant Sub-Fund). Such remunerations are not included in the Management Company Fee payable to the Management Company.

#### Global Distributor Fees

For its services, the Global Distributor shall receive an annual fee based on the Fund's net assets of 0.03 % p.a. Such fee shall be accrued on each Valuation Day and is payable by each class of each Sub-Fund monthly in arrears, as agreed, from time to time.

#### Other fees

The Management Company, the Investment Manager, the Depositary and the Administrator are also entitled to be reimbursed their out of pocket expenses properly incurred in the performance of their respective duties attributable to each Sub-Fund. The relevant Sub-Fund will in addition settle all its own expenses including the costs and expenses of advisers, consultants, Shari'a board, developers, surveyors and other agents engaged on its behalf, commissions, banking fees, legal expenses, auditors, and the costs of distribution of reports and accounts and similar documentation of Shareholders and attribute such expenses amongst the Sub-Funds as the Directors deem appropriate.

All normal operating expenses including (but not limited to) audit fees, registration and permit fees, legal fees, tax, charges incurred on the acquisition and realization of investments, costs of publication and distribution of prospectuses and annual reports, the publication of share prices and other costs (including advisory costs on formation or costs directly linked to the formation itself) will be apportioned between the Sub-Funds as the Directors deem appropriate.

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