VISA 2017/107793-8975-0-PC
L'apposition du visa ne peut en aucun cas servir d'argument de publicité
Luxembourg, le 2017-05-24
Commission de Surveillance du Secteur Financier

PROSPECTUS

M&G (LUX) INVESTMENT FUNDS 1

Société d'investissement à capital variable (SICAV) established in Luxembourg as an Undertaking for Collective Investment Schemes (UCITS) umbrella fund with segregated liability between sub-funds

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May 2017

IMPORTANT INFORMATION

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

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

M&G (Lux) Investment Funds 1 (the “**Company**”) is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *société d’investissement à capital variable,* is governed by Part I of the UCI Law and qualifies as a UCITS.

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

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

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

The Funds may target both Retail and Institutional Investors. The profile of the typical investor for each Fund is described in each KIID and in each Supplement.

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

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

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

Complaints concerning the operation or marketing of the Company may be referred to the Management Company. Complaints should be addressed to: M&G Securities Limited, c/o RBC I&TS, 14 Porte de France, L-4360 Esch-sur-Alzette, Luxembourg or by telephone to: +352 2605 9944 or by email to: csmandg@rbc.com.

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Luxembourg. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the courts of Luxembourg.

Restrictions on Distribution and Sale of Shares

SHARES ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW OR TO ANY PERSON NOT QUALIFIED FOR THAT PURPOSE.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted or prohibited. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and to observe, any such restrictions. No persons receiving a copy of this Prospectus in any jurisdiction may treat this Prospectus as constituting an invitation, offer or solicitation to them to subscribe for Shares unless such an invitation could lawfully be made without having to comply with any registration or other legal requirements in the relevant jurisdiction.

It is the responsibility of any recipient of this Prospectus to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only.

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

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

European Union - The Company is a UCITS for the purposes of the UCITS Directive and the Directors propose to market the Shares in accordance with the UCITS Directive in certain member states of the EU/the EEA.

Non-European Union - As at the date of this Prospectus, the Directors expect to apply to register and distribute the Shares of each Fund in certain non-EU / non-EEA jurisdictions.

The Shares in the Company have not been and will not be registered under the United States Securities Act of 1933, as amended, or registered or qualified under the securities laws of any state of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, to any investors within the United States or to, or for the account of, US Persons except in certain limited circumstances pursuant to a transaction exempt from such registration or qualification requirements. None of the Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares or the accuracy or adequacy of the Prospectus. The Company will not be registered under the United States Investment Company Act of 1940, as amended.

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

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Fund will be achieved.

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

Further copies of this Prospectus and the latest KIID may be obtained from the Registrar and Transfer Agent. A copy of the Prospectus and the latest KIID will also be available from: Société Générale Bank & Trust SA, Centre operationnel, 28-32, place de la Gare, L-1616 Luxembourg.

Generally

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

Investors should read and consider the section entitled "Risk Factors" before investing in the Company. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. There is no guarantee that any Fund will meet its objective or achieve any particular level of performance.

The Company does not represent an obligation of, nor is it guaranteed by, the Management Company, the Investment Manager, the Depositary or any other person or entity.

DIRECTORY

M&G (Lux) Investment Funds 1

Registered Office
State Street Bank Luxembourg S.C.A.
49 Avenue J.F. Kennedy
L-1855 Luxembourg

Directors

Gary Cotton
Chief Operating Officer
M&G Investment Management and
Director M&G Securities

Philip Jelfs
Product Director
M&G Securities

Graham MacDowall
Retail Finance Director
M&G Securities

Laurence Mumford
Retail Chief Operating Officer and MLRO
M&G Securities

William Nott
Chief Executive Officer
M&G Securities

Yves Wagner
Independent Director

Management Company
M&G Securities Limited
Laurence Pountney Hill
London EC4R 0HH
United Kingdom

Directors of Management Company
Gary Cotton
Philip Jelfs
Graham MacDowall
Laurence Mumford
William Nott

Investment Manager
M&G Investment Management Limited
5 Laurence Pountney Hill
London EC4R 0HH
United Kingdom

Administrator and Domiciliary Agent
State Street Bank Luxembourg S.C.A.
49 Avenue J.F. Kennedy
L-1855 Luxembourg

Depositary
State Street Bank Luxembourg S.C.A.
49 Avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Registrar and Transfer Agent
RBC Investor Services Bank S.A (Luxembourg)
14 Porte de France
L-4360 Esch-sur-Alzette
Luxembourg

Legal Advisers
In England
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London EC2Y 9SS
United Kingdom

In Luxembourg
Simmons & Simmons Luxembourg LLP
Royal Monterey 26A Boulevard Royal
L-2449 Luxembourg
Luxembourg

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

Distributor
M&G Securities Limited
Laurence Pountney Hill
London EC4R 0HH
United Kingdom

CONTENTS

DEFINITIONS

"1933 Act"	the United States Securities Act of 1933, as amended
"1940 Act"	the United States Securities Act of 1940, as amended
"Accumulation Shares"	shares in respect of which all earnings are accumulated and added to the capital property of a Fund
"Administration Agreement"	the administration agreement dated 5 December 2016 pursuant to which the Administrator is appointed to provide services with respect to the Company
"Administrator"	State Street Bank Luxembourg S.C.A.
"Ancillary Liquid Assets"	means (i) cash deposits; and (ii) money market instruments, such as short term debt securities (i.e., debt securities with less than one year to maturity), treasury bills, commercial paper, certificates of deposit and bankers acceptances
"Articles"	articles of incorporation of the Company
"Auditor"	Ernst & Young S.A.
"Base Currency"	the base currency of the Company is the Euro
"Business Day"	unless otherwise stated in a Supplement, any day when the banks are fully open for normal banking business in both England and Luxembourg (excluding 24 December and 31 December)
"China A Share"	means Renminbi denominated "A" share in Mainland China based companies that trade on Chinese stock exchanges such as the SSE or the SZSE
"Class" or "Class of Shares" or "Share Class"	a class of Shares in issue or to be issued within each Fund
"Company"	M&G (Lux) Investment Funds 1
"CSSF"	the Luxembourg *Commission de Surveillance du Secteur Financier* or its successor, being the Luxembourg regulatory authority in charge of the supervision of UCIs in the Grand-Duchy of Luxembourg
"CSSF Circular 04/146"	the CSSF Circular 04/146 of 17 June 2004 regarding the protection of undertakings for collective investment and their investors against late trading and market timing practices, as amended
"CSSF Regulation 12/02"	the CSSF Regulation 12/02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended

"Dealing Day"	unless otherwise stated in a Supplement, any Business Day
"Dealing Request Deadline"	such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine
"Depositary"	State Street Bank Luxembourg S.C.A.
"Depositary Agreement"	the depositary agreement dated 5 December 2016 pursuant to which the Depositary is appointed to provide depositary services to the Company
"Directors"	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
"Distribution Shares"	Shares in respect of which dividends may be distributed periodically to Shareholders
"ESMA"	the European Securities and Markets Authority or its successor authority
"ESMA Guidelines 2014/937"	means the guidelines on ETFs and other UCITS issues published on 01 August 2014 by ESMA (ESMA/2014/937) as implemented in Luxembourg and entered into force on 01 October 2014 as may be amended, supplemented and/or implemented from time to time
"EU"	the European Union
"EURIBOR"	the Euro Interbank Offered Rate, which is based on the average interest rates at which a panel of European banks borrow money from one another
"FATCA"	the provisions of the US HIRE Act generally referred to as the Foreign Account Tax Compliance Act
"FCA"	the Financial Conduct Authority or its successor authority in the United Kingdom
"FCA Rules"	the rules of the FCA, as the same may be amended from time to time
"Fund"	a specific pool of assets established within the Company, within the meaning of Article 181 of the UCI Law
"Group" or "Group of Companies"	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended
"Hedged Share Classes"	those Classes where a currency hedging strategy is applied

	as described in Appendix 2: Share Class Details
"Ineligible Investor"	any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might: a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or b) require the Company, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or c) cause the Company, its Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company, its Shareholders, the Management Company or the Investment Manager might not otherwise have incurred or suffered
"Initial Offer Period"	the period set by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement
"Initial Offer Price"	the initial price payable for a Share as specified in the relevant Supplement for each Fund
"Institutional Investor"	as defined in the UCI Law and by guidelines or recommendations issued by the CSSF from time to time
"Investment Management Agreement"	the investment management agreement dated 5 December 2016 pursuant to which the Investment Manager is appointed to provide discretionary investment management services to the Company and the Funds
"Investment Manager"	M&G Investment Management Limited
"IRS"	the US Internal Revenue Service
"KIID"	means the key investor information document applicable to a Class
"Luxembourg"	the Grand-Duchy of Luxembourg
"Management Agreement"	the management agreement dated 5 December 2016 pursuant to which the Management Company is appointed by the Company
"Management Company"	M&G Securities Limited

"Member State"	a member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union
"Minimum Additional Subscription"	the minimum additional investment for each class of Shares as specified in the relevant Supplement for each Fund
"Minimum Holding"	where applicable, the minimum holding for each class of Shares as specified in the relevant Supplement for each Fund
"Minimum Subscription"	the minimum initial investment for each class of Shares as specified in the relevant Supplement for each Fund
"Money Market Instruments"	instruments normally dealt on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time
"Net Asset Value"	the net asset value of the Company, a Fund or a Class (as the context may require) as calculated in accordance with the Articles and the Prospectus
"Net Asset Value per Share"	the Net Asset Value in respect of any Fund or Class divided by the number of Shares of the relevant Fund or Class in issue at the relevant time
"Non-Member State"	any state which is not a Member State
"OECD"	the Organisation for Economic Co-operation and Development
"OECD CRS"	OECD Common Reporting Standard
"OTC"	(over the counter) derivative: a derivative instrument entered into with an approved counterparty outside of an exchange
"Performance Fee"	where applicable, the performance fee which the Management Company may be entitled to receive from the Company in respect of a Fund, as described in the relevant appendix to the Prospectus and Supplement
"Price per Share"	unless otherwise defined in a Supplement, the Net Asset Value per Share attributable to the Shares issued in respect of a Fund or Class, plus or minus any attributable swing price adjustment, as described in the section of this Prospectus entitled "Swing Pricing and Dilution Levy"
"Prospectus"	this Prospectus, as may be amended or supplemented from time to time

"Reference Currency"	the currency of the relevant Fund
"Registrar and Transfer Agent"	RBC Investor Services Bank S.A.
"Registrar and Transfer Agency Agreement"	the registrar and transfer agency agreement dated 6 December 2016 pursuant to which the Registrar and Transfer Agent is appointed to provide certain registration and transfer agency services in respect of the Funds
"Regulated Market"	a regulated market according to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC ("MiFID"). A list of EU regulated markets according to MiFID is regularly updated and published by the European Commission
"Share" or "Shares"	shares of any Class in the Company as the context requires
"Share Class Currency"	the currency of the relevant Class
"Shareholder"	a person registered as the holder of Shares on the Company's register of shareholders
"Stock Connects"	means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
"Supplement"	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes
"Transferable Securities"	(i) shares and other securities equivalent to shares ("shares"); (ii) bonds and other debt instruments ("debt securities"); and (iii) any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus
"UCI(s)"	undertaking(s) for collective investment
"UCI Law"	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
"UCITS"	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
"UCITS Directive"	the Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU as regards

	depositary functions, remuneration policies and sanctions
"United States", "US" or "USA"	means the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
"US HIRE Act"	the United States Hiring Incentives to Restore Employment Act
"US Person"	means any person, any individual or entity that would be a U.S. Person under Regulation S of the 1933 Act; any resident or person with the nationality of the United States of America or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States of America or any person falling within the definition of "U.S Person" under such laws
"Valuation Day"	unless otherwise stated in a Supplement, any Business Day

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to "Euro", "EUR" and "€" are to the unit of the European single currency, all references to "US Dollars", "USD" and "US$" are to the currency of the United States, all references to "CHF" and "Swiss Franc" are to the currency of Switzerland, all references to "AUD" and "A$" are to the currency of Australia, all references to "NZD" and "NZ$" are to the currency of New Zealand, all references to "SGD" and "S$" are to the currency of Singapore, all references to "SEK" are to the currency of Sweden, all references to "JPY" and "¥" are to the currency of Japan, all references to "HKD" and "HK$" are to the currency of Hong Kong and all references to "Sterling", "GBP" and "£" are to the currency of the United Kingdom.

THE COMPANY AND THE FUNDS

The Company is an open-ended investment company incorporated under the laws of Luxembourg as a *société d'investissement à capital variable* ("**SICAV**") in accordance with the provisions of Part I of the UCI Law. The Company was incorporated for an unlimited period on 29 November 2016 under the name of M&G (Lux) Investment Funds 1 SICAV and has its registered office in Luxembourg. Branches, subsidiaries or other offices may be established either in Luxembourg or abroad (but not, in any event, in the United States of America, its territories or possessions) by a decision of the Directors. Insofar as is legally possible, the Directors may also decide to transfer the Company's registered office to any other place in Luxembourg. The Articles were published in the *Recueil Eletronique des Sociétés et Associations* (the "**RESA**") of the Grand-Duchy of Luxembourg on 30 November 2016 and the Company is registered with the Luxembourg Register of Commerce and Companies (R.C.S Luxembourg) under the number B210615.

The Company has appointed M&G Securities Limited as its management company.

The Company is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Funds. Each Fund represents a separate portfolio of assets. At all times the Company's share capital will be equal to the total Net Asset Value of the Funds and will not fall below the minimum capital required by Luxembourg law.

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

Under Luxembourg law, the Company is itself a legal entity. Each Fund, however, is not a distinct legal entity from the Fund. Nevertheless, the assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Fund and as set out in the relevant Supplement. Pursuant to Article 181 of the UCI Law, each Fund corresponds to a distinct part of the assets and liabilities of the Company, i.e. the assets of a Fund are exclusively available to satisfy the rights of investors in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Fund.

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

The base currency of the Company is the Euro. The Reference Currency of each Fund is set out in the relevant Supplement.

The Funds and their Investment Objectives and Policies

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

Profile of a Typical Investor

The profile of a typical investor will be set out in the relevant Supplement. No investor may be an Ineligible Investor.

An investor's choice of Fund should be determined by the investor's attitude to risk, preference for income, growth or a combination of income and growth (i.e. total return), intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Classes of Shares

Each Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect to its criteria for subscription (including eligibility requirements), redemption, minimum holding, fee structure, currency, hedging policy and distribution policy. A separate Price per Share will be calculated for each Class. All Funds may offer the Classes of Shares described in Appendix 2 and the relevant Supplement. An up-to-date list of the Funds and currencies in which the Share Classes are available can be obtained from the following website: www.mandg.com/classesinissue**.** Further Classes may be created by the Directors in accordance with the requirements of the CSSF.

Shares have no par value, are transferable and, within each Class, are entitled to participate equally in the profits arising in respect of, and in the proceeds of a liquidation of, the Fund which they are attributable. All Shares are issued in registered form.

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

Shares are issued in registered form only and can be held and traded in clearing systems. Unless otherwise stated in the relevant Supplement:

- title to registered shares is evidenced by entries in the Company's share register. Shareholders will receive confirmation notes of their shareholdings; and

- in principle, registered share certificates are not issued.

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

Investment Restrictions

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

Reports and Financial Statements

The Company's annual accounting period will end on 31 March in each year. The first accounting period of the Company started upon incorporation of the Company and will end on 31 March 2017.

The Company will prepare an annual report including the audited financial statements within four months of the financial period to which they relate i.e. by 31 July of each year. Copies of the half-yearly report including the unaudited financial statements (made up to 30 September in each year) will be prepared within two months of the end of the half year period to which they relate i.e. by 30 November of each year.

The Company will publish an annual report as of 31 March (the "**Accounting Date**") and a half-yearly report drawn up as of 30 September (the "**Interim Accounting Date**") in each year.

The first annual report will be published in relation to the financial period ending 31 March 2017. The first half-yearly report will be published as of 30 September 2017.

Copies of the annual audited financial statements and half yearly reports will be published on website www.mandg.lu/literature and made available to Shareholders and prospective investors upon request.

Distribution Policy

Each Fund may issue Distribution Shares and Accumulation Shares, as set out in the relevant Supplement. Whether Distribution Shares and/or Accumulation Shares will be issued in relation to a particular Fund will be described in the relevant Supplement. The distribution policy applicable to each Class of Distribution Shares in a particular Fund will be described in the relevant Supplement. The Directors reserve the right to introduce a distribution policy that may vary between Funds and different Classes of Shares in issue.

Unless otherwise stated in the relevant Supplement, Accumulation Shares capitalise their entire earnings whereas Distribution Shares may pay dividends.

Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. As distributions may be paid out of the capital of a Fund, there is a greater risk that capital will be eroded and "income" will be achieved by forgoing the potential for future capital growth of Shareholders' investments and the value of future returns may also be diminished. This cycle may continue until all capital is depleted (subject to the minimum Net Asset Value requirement detailed below). Dependent on investor jurisdiction, distributions paid out of capital may have different tax implications to distributions paid out of income and investors are recommended to seek their own advice in this regard.

Distributions will be paid by electronic transfer to the Shareholder, or, in the case of joint holders, to the name of the first Shareholder appearing on the register.

Payments will be made in the relevant Share Class Currency. Distributions remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund. In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Company would fall below the equivalent of EUR 1,250,000.

Distributions may be treated as taxable income in certain jurisdictions. Shareholders should seek their own professional tax advice.

Should the Shareholders decide to reinvest the amount to be distributed to them where such facilities exist as specified in the relevant Supplement, these distributions will be reinvested in further Shares within the same Class of the same Fund and investors will be advised of the details by distribution statements. No subscription fees, as defined below, will be imposed on reinvestments of distributions.

In the event of a liquidation of a Fund, any uncollected dividends will be deposited with the *Luxembourg Caisse de Consignation*, once the liquidation has been effected.

The Company, at its absolute discretion, may also offer certain classes of Distribution Share Classes where the dividend is based on a fixed amount or fixed percentage of the Net Asset Value per Share. The Directors will periodically review fixed Distribution Share Classes and reserves the right to make changes, for example if the investment income is higher than the target fixed distribution the Directors may declare the higher amount to be distributed. Equally the

Directors may deem it is appropriate to declare a dividend lower than the target fixed distribution. The details of such fixed Distribution Shares (where available) will be described in the relevant Supplement.

Income Equalisation

Income equalisation arrangements may be operated at the Directors' discretion with a view to ensuring that the level of income accrued within a Fund and attributable to each Share Class is not affected by the issue, conversion or redemption of Shares during an accounting period or distribution period.

Publication of Price per Share

The Price per Share may be obtained free of charge from, and will be available at the offices of, the Registrar and Transfer Agent during business hours on each Business Day. In addition, the Price per Share is currently published at: www.mandg.lu/SICAVprices.

Prevention of Late Trading and Market Timing

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

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

As per CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

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

DIRECTORS

The Directors

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

The Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders. The following persons have been appointed as Directors of the Company:

- **Yves Wagner**, Independent Director
- **William Nott**, Chief Executive Officer, M&G Securities
- **Laurence Mumford**, Retail Chief Operating Officer and MLRO, M&G Securities
- **Gary Cotton**, Chief Operating Officer, M&G Investment Management and Director and Director, M&G Securities
- **Philip Jelfs**, Product Director, M&G Securities
- **Graham MacDowall**, Retail Finance Director, M&G Securities

The Directors may appoint one or more committees, authorised delegates or agents to act on their behalf. For the avoidance of doubt, references to "Directors" may therefore include such committees, authorised delegates or agents, as applicable.

MANAGEMENT COMPANY

The Company has appointed M&G Securities Limited pursuant to the Management Agreement to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Company.

The Management Company is a private company limited by shares incorporated in England and Wales under the Companies Acts 1862 to 1900 on 12 November 1906. The ultimate holding company of the Management Company is Prudential Plc. The Management Company is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The Management Company's registered office is at: Laurence Pountney Hill, London, EC4R 0HH, United Kingdom.

The directors of the Management Company are:

- **Gary Cotton**
- **Philip Jelfs**
- **Graham MacDowall**
- **Laurence Mumford**
- **William Nott**

The Management Company acts as the management company of the Company under the freedom to provide services organised by the UCITS Directive. In accordance with the relevant provisions of the UCI Law, the Management Company will be required to comply with the FCA Rules (being the rules of the Management Company's 'home member state' for the purposes of the UCI Law) in relation to the organisation of the Management Company, including its delegation arrangements, risk management procedures, prudential rules and supervision, applicable prudential rules regarding the Management Company's management of UCITS authorised under the UCITS Directive and the Management Company's reporting requirements. The Management Company shall comply with the UCI Law as regards the constitution and functioning of the Company.

In addition to the Company, the Management Company also acts as management company for other funds, and can be appointed in the future to act as the management company for other funds. The list of funds managed by the Management Company will be set out in the Company's annual reports and may be obtained upon request from the Management Company.

The Management Agreement has been entered into by the Company and the Management Company for an unlimited period of time. The Company and the Management Company may terminate at any time the Management Agreement upon 90 days' prior written notice addressed by one party to the other or under other circumstances set out in this agreement.

In accordance with the FCA Rules and with the prior consent of the Directors, the Management Company may delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company. The Management Company has appointed M&G Investment Management Limited to carry out investment management and distribution functions, and State Street Bank Luxembourg S.C.A. and RBC Investor Services Bank S.A. to carry out certain administrative functions in respect of the Company.

Remuneration policy

The Management Company has a remuneration policy in place which seeks to comply with Article 111 *ter* of the UCI Law.

The Management Company applies a staff remuneration policy consistent with the principles outlined in the UCITS Directive, as amended, and the FCA Rules. The remuneration policy is overseen by a remuneration committee and is designed to promote sound and effective risk management by, amongst other things:

- identifying staff with the ability to have a material impact on the risk profile of either the Management Company or the Funds;

- ensuring that the remuneration of those staff is in line with the risk profiles of the Management Company and of the Funds, and that any relevant conflicts of interest are appropriately managed at all times; and

- setting out the link between pay and performance for all of Management Company employees, including the terms of annual bonus and long-term incentive plans and individual remuneration packages for Directors and other senior employees.

Please visit the following website: http://www.mandg.com/en/corporate/about-mg/our-people/ for up-to-date details of the remuneration policy, including, but not limited to:

- a description of how remuneration and benefits are calculated;

- the identities of persons responsible for awarding the remuneration; and

- the composition of the remuneration committee.

Alternatively, a paper copy can be obtained from our Customer Relations Department free of charge on +352 2605 9944.

INVESTMENT MANAGER

The Management Company has appointed M&G Investment Management Limited as investment manager to manage and invest the assets of the Funds pursuant to their respective investment objectives and policies.

The Investment Manager is a private company limited by shares incorporated in England and Wales on 5 August 1968. The Investment Manager is authorised and regulated by the Financial Conduct Authority of the United Kingdom. The Investment Manager is a wholly-owned subsidiary of Prudential plc.

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

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

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

The Investment Management Agreement may be terminated by one party giving to the other party not less than three months' written notice. The Investment Management Agreement may also be terminated forthwith by notice in writing by either party (the "**notifying party**"), if the other party shall commit any material breach of its obligations under the Investment Management Agreement and, if such breach is capable of being made good, shall fail to make good such breach within 14 days of receipt of written notice from the notifying party requiring it so to do. Subject to the prior written approval of the Directors, the Investment Management Agreement may also be terminated by the Management Company without notice when this is deemed by the Management Company to be in the interests of the Company's Shareholders.

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

With the prior consent of the Company and the Management Company, the Investment Manager may delegate its investment management function for a particular Fund to a sub-investment manager, as specified in the relevant Supplement.

Where the Investment Manager enters into OTC derivative transactions, JPMorgan Chase Bank, N.A. will provide administrative services in connection with the collateral management functions.

REGISTRAR AND TRANSFER AGENT

The Management Company has appointed RBC Investor Services Bank S.A. as Registrar and Transfer Agent of the Company.

RBC Investor Services Bank S.A. is registered in the Luxembourg Commercial and Companies register under number B 47 192 and was established in 1994 under the name “First European Transfer Agent”. It holds a banking licence in accordance with the Luxembourg law of April 5 1993 on the financial sector (as amended). The Registrar and Transfer Agent is a wholly-owned subsidiary of RBC Investor Services Limited, which is controlled by Royal Bank of Canada.

Under the Registrar and Transfer Agency Agreement, the Registrar and Transfer Agent is responsible for processing the issue, redemption and transfer of Shares as well as for the keeping of the register of Shareholders.

The Registrar and Transfer Agent will at all times comply with any obligations imposed by the applicable laws and regulations with respect to money laundering prevention and, in particular, with CSSF Regulation 12/02 of 14 December 2014.

DEPOSITARY

The Company has appointed State Street Bank Luxembourg S.C.A. as Depositary of the Company.

The Depositary is a *société en commandite par actions* organised under the laws of the Grand Duchy of Luxembourg. The Depositary is registered in the Luxembourg Commercial and Companies register under number B 32 771 and was established in 1990. It holds a banking licence in accordance with the Luxembourg law of April 5, 1993 on the financial sector (as amended).

<u>Depositary's Functions</u>

The Depositary shall perform all of the duties and obligations of a depositary under the UCITS Directive and the Luxembourg implementing laws and regulations with respect to each Fund.

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;

- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;

- carrying out the instructions of the Management Company or the Company (as the case may be), unless such instructions conflict with applicable law or the Articles;.

- ensuring that in transactions involving the assets of the Company any consideration is remitted to the Company within the usual time limits;

- ensuring that the income of the Company is applied in accordance with applicable law and the Articles;

- monitoring and oversight of the Company's cash and cash flows in accordance with the UCITS Directive and the Luxembourg implementing laws and regulations; and

- safe-keeping of the Company's assets, including the safekeeping of financial instruments that can be held in custody and ownership verification and record keeping in relation to other assets.

<u>Depositary's liability</u>

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 Commission Delegated Regulation n°2016/438 of 17 December 2015 supplementing the UCITS Directive, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

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

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

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

Without limitation to the Depositary's 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 of its duties and obligations.

Delegation

The Depositary may, subject to certain conditions, delegate the whole or any part of its safe-keeping duties to one or more third parties. The Depositary's liability to the Company will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site: http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html

Conflicts of Interest

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

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company; and

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

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

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

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

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

(v) may be granted creditors' rights by the Company 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 Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

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

The Investment Manager and 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:

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

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

(iii) 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

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

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its 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 depository 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 shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

The Depositary Agreement may be terminated by either the Company or the Depositary upon 6 months prior written notice. In that case, a new depositary must be appointed within two months of the termination of the Depositary Agreement, to carry out the duties and assume the responsibilities of the Depositary, as outlined above.

ADMINISTRATOR

The Management Company has appointed State Street Bank Luxembourg S.C.A. as the Administrator of the Company. The Administrator will carry out certain administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

The Company has appointed the Administrator as its domiciliary agent. The Administrator will be responsible for the domiciliation of the Company and will perform, inter alia, the functions as foreseen in the Luxembourg law of 31 May 1999 on the domiciliation of companies, as amended from time to time and, in particular, allow the Company to establish its registered office at the registered office of the Administrator and provide facilities necessary for the meetings of the Company's officers, Directors and/or of the Shareholders of the Company.

The Administrator is not responsible for the contents of this Prospectus (other than this section), for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

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

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

DISTRIBUTOR

The Management Company is the principal distributor of Shares under the terms of the Management Agreement.

Under the terms of the Management Agreement, the Management Company may have the power to appoint sub-distributors, subject to the consent of the Company. The Management Company and any sub-distributors (and/or its or their directors, employees, related entities and connected persons and their respective directors and employees) may subscribe, directly or indirectly, for Shares during and after the relevant Initial Offer Period.

The Management Company, in its role as distributor, will at all times comply with any obligations imposed by the applicable laws and regulations with respect to money laundering prevention and, in particular, with CSSF Regulation 12-02 of 14 December 2014.

AUDITOR

The Company has appointed Ernst & Young S.A as auditor of the Company. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

HEDGING SERVICES

The Management Company has appointed State Street Global Markets to undertake certain currency hedging functions in respect of the Hedged Share Classes.

SUBSCRIPTIONS

Initial Offer

Shares in the Company may be subscribed for during the relevant Initial Offer Period at the Initial Offer Price as specified in the relevant Supplement. The Directors may extend or shorten the Initial Offer Period at their discretion.

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

Subscriptions will be accepted upon verification by the Registrar and Transfer Agent or the Management Company as the case may be, that the relevant investors have satisfied any information request and have confirmed receipt of a KIID of the Class of Shares into which they intend to subscribe.

Subsequent Subscriptions

Following the close of the relevant Initial Offer Period and unless otherwise specified in the relevant Supplement, Shares will be available for subscription at the Price per Share as of the relevant Valuation Day. The Company may charge an initial charge on such a subscription for Shares as set out in “Fees and Expenses”, and, if applicable, a dilution levy as set out in “Swing Pricing and Dilution Levy”, as the case may be, and as specified in the relevant Supplement. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any initial charge in relation to its subscription in the Fund.

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

Procedure

On placing their initial subscription, Applicants for Shares should complete and sign an application form and send it to the Registrar and Transfer Agent by mail at the following address: RBC Investor Services Bank S.A (Luxembourg), 14 Porte de France, L-4360 Esch-sur-Alzette, Luxembourg. Initial applications may be made by facsimile on +352 2460 9901 subject to the prompt receipt by the Registrar and Transfer Agent of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation, although these applications may be subject to the relevant Shareholder providing such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

Amendments to a Shareholder’s registration details and payment instructions will (subject to the Company’s discretion) only be effected on receipt of original documentation with authorised signatures.

Applications for Shares during the Initial Offer Period should be completed and submitted so as to be received by the Registrar and Transfer Agent no later than the end of the Initial Offer Period. If the original application form is not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Price per Share on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by facsimile to the Registrar and Transfer Agent by the Dealing Request Deadline. Applications received after this deadline for any given Dealing Day shall be treated as received prior to the next Dealing Request Deadline. Cleared funds in the relevant currency of the relevant Class and for the full amount of the subscription monies (including any initial charge, if applicable) must be received by the Registrar and Transfer Agent within three Business Days ("**T+3**") following the relevant Dealing Day, unless otherwise specified in the relevant Supplement.

If subscribed Shares are not paid for, the Company may redeem the Shares issued, whilst retaining the right to claim the subscription fees, commission and any other costs that may have occurred and to be confirmed by the Directors. In this case the applicant may be required to reimburse the Company for any losses, costs or expenses incurred directly or indirectly as a result of the applicant's failure to make timely settlement, as conclusively determined by the Directors in its discretion. In computing such losses, costs or expenses account shall be taken, where appropriate, of any movement in the price of the Shares between allotment and cancellation or redemption and the costs incurred by the Company in taking proceedings against the applicant.

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

Shares may not be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Fund is suspended in accordance with the section headed "Suspension of the Determination of the Net Asset Value".

Fractions of Shares of up to three decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company.

Any applications submitted electronically must be in a form and method agreed by the Directors and the Administrator.

Unless otherwise agreed by the Directors, applications will be irrevocable.

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

At the discretion of the Management Company, the Company may accept subscriptions via electronic trading accounts. Please contact the Management Company or the Registrar and Transfer Agent for further details.

Temporary Closure of a Fund or Class

A Fund or Class may be closed totally or partially to new subscriptions or switches in (but not to redemptions or switches out of it) if, in the opinion of the Directors, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where the Fund or Class has reached a size such that the capacity of the market and/or the capacity of the Investment Manager has been reached, and where to permit further inflows would be detrimental to the performance of the Fund. Where any Fund or Class is materially capacity constrained in the opinion of the Directors, the Fund or Class may be closed to new subscriptions or switches into without notice to Shareholders. Details of Funds and Classes which are closed to new subscriptions and switches will be provided in the annual report including the audited financial statements and in the half-yearly report including the unaudited financial statements.

Where any type of closure to new subscriptions or switches in occurs, the website of the Management Company will be amended to indicate the change in status of the applicable Fund or Class. Shareholders and potential investors should confirm with the Management Company or the Registrar and Transfer Agent or check the website for the current status of the relevant Fund or Class. Once closed, a Fund or Class will not be re-opened until, in the opinion of the Directors, the circumstances which required closure no longer prevail.

Subscriptions in Kind

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

Minimum Investment

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

Ineligible Investors

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

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

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

If the transferee is not already a Shareholder, it will be required to complete the appropriate application form and provide any other documentation that may be specified from time to time.

Form of Shares

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

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described in the section entitled: "Suspension of the Determination of the Net Asset Value". No Shares will be issued during any such period of suspension.

Anti-Money Laundering

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis.

In the case of an applicant acting on behalf of a third party, the Registrar and Transfer Agent must verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Registrar and Transfer Agent prior to the occurrence of any change in the identity of any such beneficial owner.

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

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

Data Protection

The Company may collect information from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Fund, and for other related activities. If a Shareholder or prospective Shareholder fails to provide such information in a form which is satisfactory to the Company, the Company may restrict or prevent the ownership of Shares in the Fund and the Fund, the Depositary and/or the Registrar and Transfer Agent (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.

By completing and returning an application form, Shareholders consent to the use of personal data by the Company. The Company may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority or for the purpose of the prevention and detection of crime. Shareholders will upon written request be given access to their own personal data provided to the Company. Shareholders may request in writing the rectification of, and the Fund will upon written request rectify, personal data. All personal data shall not be held by the Company for longer than necessary with regard to the purpose of the data processing.

The Company may need to disclose personal data to entities located in jurisdictions outside the EU, which may not have developed an adequate level of data protection legislation. In case of a transfer of data outside the EU, the Company will contractually ensure that the personal data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Luxembourg data protection law.

The personal data is not intended to be used for marketing purposes.

REDEMPTIONS

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares in the relevant Supplement for the Fund in question.

Procedure

Shareholders should send a completed redemption request in a format approved by the Registrar and Transfer Agent to be received by the Registrar and Transfer Agent no later than the Dealing Request Deadline for the Dealing Day in question. If as a result of any redemption request, the number of Shares held by any Shareholder in a Class would fall below the Minimum Holding for that Class of Shares, if any, the Company may, in its absolute sole discretion, treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant Class. Any redemption requests received after the Dealing Request Deadline for a Dealing Day will be processed on the next Dealing Day.

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

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

Redemption Price

The price paid upon redemption will be equal to the Price per Share as of the relevant Valuation Day determined in accordance with the policy set out in the section entitled: "Switching Between Funds Or Classes." The Company may charge a redemption charge as set out in "Fees and Expenses" and, if applicable, a dilution levy as set out in "Swing Pricing and Dilution Levy", as the case may be, and as specified in the relevant Supplement.

The amount due will be transferred to the Shareholder's account of record form by the Settlement Date.

Amendments to a Shareholder's details and payment instructions will (subject to the Company's discretion) only be effected on receipt of original documentation.

Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within three Business Days of the relevant Dealing Request Deadline, unless otherwise specified in the relevant Supplement. However, Shareholders should note that different settlement procedures may apply in certain jurisdictions in which the relevant Fund may be registered for public distribution due to local constraints. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Registrar and Transfer Agent and at the Shareholder's risk. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either: (i) the original, duly signed, initial application form; or (ii) the original, duly signed bank mandate change request.

If a Shareholder has provided the Registrar and Transfer Agent with standing redemption instructions, the Company requests that Shareholders keep such instructions up-to-date, as failure to do so may delay the settlement of any future transactions. Fractions of Shares of up to three decimal places will be redeemed if necessary.

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

Minimum redemption, conversion or transfer

The Directors may refuse to comply with a redemption, conversion or transfer instruction if it is given in respect of part of a holding in a relevant Share Class which has a value of less than the minimum holding amount as specified in the section entitled “Appendix 2: Share Class Details” or if to do so would result in such a holding being less than the minimum holding amount as specified in the section entitled “Appendix 2: Share Class Details”.

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described in the section entitled: “Suspension of the Determination of the Net Asset Value”. No Shares will be redeemed during any such period of suspension.

Compulsory Redemptions

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company, the Management Company or the Investment Manager incurring any liability or taxation or suffering any other disadvantage which the Company, the Management Company or the Investment Manager may not otherwise have incurred or suffered (including, but not limited to, Shareholders who are or become Ineligible Investors and/or US Persons). In circumstances where a Shareholder is identified as a person from whom information is required for the purposes of fulfilling the requirements of FATCA, but such Shareholder fails to provide such required information and/or the classification of such Shareholder requires information to be reported to the Luxembourg tax authority, the Company may at the Directors’ discretion choose to redeem such Shareholder’s interest in any of the Funds. Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of investors. Subject to the relevant Supplement, if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding, the Company reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory switch of all Shares of the relevant Class held by a Shareholder for Shares of another Class in the same Fund which have the same Share Class Currency but a lower Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding (if any) and the Company decides to exercise its right to compulsorily redeem for this reason, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

Deferred Redemptions

The Directors may (but are not obliged to) defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Fund’s Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund’s Net Asset Value) and will defer the remainder until the next Dealing Day and all following Dealing Days until the original request has been satisfied in full. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered. If redemption requests are so carried-forward, the Registrar and Transfer Agent will inform the investors affected.

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

Redemptions in Kind

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

SWITCHING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described in section “Suspension of the Determination of the Net Asset Value”, and subject to the provisions of the relevant Supplement, holders of Shares may request a switch of some or all of their Shares in one Class or Fund (the “**Original Class**”) for Shares in another Class or Fund (the “**New Class**”). Such switches can only take place, if following the switch, the Shareholder’s holding in the New Class will satisfy the criteria and applicable minimum holding requirements (if any) of that Class or Fund.

<u>Procedure</u>

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

Switch requests may be made by facsimile to the prompt receipt by the Registrar and Transfer Agent of the original signed switch request and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to switch additional Shares may apply to switch Shares by facsimile and these applications may be processed without a requirement to submit original documentation, although these applications may be subject to the relevant Shareholder providing such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

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

If on any given Dealing Day, switch requests amount to the total number of Shares in issue in any or all Class of Shares or Funds, the calculation of the Price per Share within the relevant Class(es) of Shares may be deferred to take into consideration the fees incurred in closing of said Class(es) of Shares and/or of the relevant Fund.

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

On the switch of Shares of a Fund for Shares of another Fund, the Articles authorise the Company to impose a switching fee, as specified in the Supplement for the relevant Funds. The fee will not exceed an amount equal to the aggregate of the then prevailing redemption charge (if any) in respect of Original Class and the initial charge (if any) in respect of the New Class and is payable to the Management Company.

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

A switch of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A switching Shareholder may, therefore, realise a taxable gain or loss in connection with the switch under the laws of the country of the Shareholder’s citizenship, residence or domicile.

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

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

where

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

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

P is the Price per Share of the Original Class as at the relevant Dealing Day.

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

SP is the Price per Share of the New Class as at the relevant Dealing Day.

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

TRANSFERS

A Shareholder may, subject to the approval of the Management Company, transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee: (i) is not an Ineligible Investor; and (ii) meets the qualifications of a Shareholder in the relevant Class of Shares. In particular, the Company may decline to register a transfer of Shares to a U.S. Person if such transfer would have a material adverse effect on the Company, the Shareholders or any Fund.

In order to transfer Shares, the Shareholder must notify the Registrar and Transfer Agent of the proposed date and the number and Class of Shares to be transferred. In addition, each transferee must complete an application form before the transfer request can be accepted. The Shareholder should send its transfer notice and each completed application form to the Registrar and Transfer Agent.

The Registrar and Transfer Agent may request a transferee to provide additional information to substantiate any representation made by the transferee in its application form. The Registrar and Transfer Agent will reject any application form that has not been completed to its satisfaction. The Registrar and Transfer Agent will not effectuate any transfer until it is satisfied with the form of notice from the transferring Shareholder and has accepted each transferee's transfer application.

Any Shareholder transferring Shares and each transferee, jointly and separately, agree to hold the Company and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

VALUATION

Net Asset Value and Valuation of Assets

The Net Asset Value per Share of each Share Class within each Fund shall be determined by the Administrator under the supervision of the Directors and the Management Company, in accordance with the requirements of the Articles. The Net Asset Value per Share of each Share Class within each Fund will be expressed in the Reference Currency of each Share Class, to the nearest four (4) decimal places, and shall be determined for each Fund as of the relevant Valuation Day by dividing: (i) the Net Asset Value of the Fund attributable to that Share Class (being the total assets of the Fund attributable to that Share Class less the total liabilities of the Fund attributable to that Share Class); by (ii) the total number of Shares of that Share Class of the Fund outstanding, in accordance with the valuation rules set forth below. Shares of each Share Class in the Fund may perform differently, and each Fund (and Share Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Fund (or Share Class)).

For a Share Class which is expressed in a currency other than the Reference Currency of the relevant Fund, the Net Asset Value per Share of that Share Class shall be the Net Asset Value per Share of the Share Class of that Fund calculated in the Reference Currency of the Fund and converted into the Share Class Currency at the currency exchange rate (at the relevant valuation point) between the Fund Reference Currency and Share Class Currency. In the event that a Fund hedges the foreign currency exposure of any of its Shares Classes expressed in a currency other than the Reference Currency of the relevant Fund (or any other types of exposure in accordance with the terms of the relevant Share Class), the costs and any benefit of such hedging will in each case be allocated solely to the relevant Class of Shares to which the hedging relates.

On each Valuation Day for a Fund the Administrator will calculate Net Asset Value by reference to a valuation point (typically 13:00 Luxembourg time or as otherwise specified in the Supplement for the relevant Fund). On any Valuation Day the Management Company may determine, in conformity with the guidelines established by the Directors, to apply swing pricing to the Net Asset Value per Share of a Fund (please refer to the section headed “Swing Pricing and Dilution Levy”).

For the purposes of calculating the Net Asset Value of the Company, the property will be valued using the most recent prices which it is practicable to obtain (unless otherwise specifically described below):

(A) units or shares in a collective investment scheme:

    (1) if a single price for buying and selling units is quoted, at the most recent such price; or

    (2) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price excludes any exit or redemption charge attributable thereto; or

    (3) if in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or no recent price exists, at a value which, in the opinion of the Directors, is fair and reasonable;

(B) exchange traded derivative contracts:

    (1) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price;

    (2) if separate buying and selling prices are quoted, at the average of the two prices;

(3) if in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Directors is fair and reasonable;

(C) over the counter ("**OTC**") derivatives shall be valued in accordance with the policies established by the Directors, on a basis consistently applied for each different type of contract;

(D) any other Transferable Securities or Money Market Instrument:

(1) if a single price for buying and selling the security is quoted, at that price;

(2) if separate buying and selling prices are quoted, at the average of the two prices; or

(3) if, in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Directors is fair and reasonable;

(E) assets other than those described in (A), (B), (C) and (D) above: at a value which, in the opinion of the Directors, represents a fair and reasonable mid-market price;

(F) cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall normally be valued at their nominal values.

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

(A) in determining the value of the Company property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the applicable laws or regulations or the Articles shall be assumed (unless the contrary shown to have been taken);

(B) subject to paragraph (C) below, agreements for the unconditional sale or purchase of property which are in existence and confirmed but uncompleted between both parties shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Directors, their omission will not materially affect the final Net Asset Value amount;

(C) futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (B);

(D) an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time;

(E) an estimated amount for any liabilities payable out of the Company property and any tax thereon treating certain periodic items as accruing from day to day will be deducted;

(F) the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted;

(G) an estimated amount for accrued claims for repayments of tax of whatever nature to the Company which may be recoverable will be added;

(H) any other amounts due to be paid into the Company property will be added;

(I) a sum representing any interest or any income accrued due or deemed to have accrued but not received will be added;

(J) the amount of any adjustment deemed necessary by the Directors to ensure that the Net Asset Value is based on the most recent information and is fair to all Shareholders will be added or deducted as appropriate; and

(K) currencies or values in currencies other than the Reference Currency of the relevant Fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The Directors may at their discretion permit any other method of valuation to be used if they believe that such other method provides a valuation which more accurately reflects the fair value of any asset of a Fund.

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

Swing Pricing and Dilution Levy

In certain circumstances, the actual cost of purchasing or selling investments for a Fund may deviate from the value of these assets used in calculating the Net Asset Value per Share in a Fund or Class due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the underlying investments. These dealing costs can have an adverse effect on the value of a Fund, known as “dilution”.

In order to prevent this effect, and the consequent potential adverse impact on the existing or continuing Shareholders, the Directors have elected to operate a policy of “swing pricing”. This policy gives the Directors the power to apply a swing price adjustment to the Net Asset Value per Share to cover dealing costs and to preserve the value of the underlying assets of a Fund. A swing price adjustment may be applied in the event that the daily net subscriptions or net redemptions (including as a result of requests to switch from one Fund to another Fund), exceed a predetermined threshold set by the Directors, in their sole discretion, from time to time.

The swing pricing policy will be established and approved by the Directors and implemented by the Administrator.

Unless the Directors determine otherwise, a swing price adjustment may be added to the Net Asset Value per Share at which Shares will be issued (where there are net inflows into a Fund) or deducted from the Net Asset Value per Share at which Shares will be redeemed (in the case of net outflows from the Fund). A swing price adjustment may also be applied in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Shareholders and potential Shareholders that a swing price adjustment be applied.

Shareholders should be aware that the swing price adjustment will generally not exceed 2% of the Net Asset Value of the relevant Class or Fund, unless otherwise stated in the relevant Supplement.

The swing price adjustment will generally apply to all Funds, unless a dilution levy applies. Some Funds may charge a dilution levy applying to subscriptions and redemptions of Shares, as the case may be and as disclosed in the relevant Supplement. In these cases the dilution levy will not form part of the price at which shares will be issued, but is a separate charge that is applied. As at the date of this Prospectus, the dilution levy may be applied for the following Funds:

- M&G (Lux) Fixed Maturity High Yield Bond Fund 2022

Shareholders should be aware that the dilution levy will generally not exceed 2% of the Net Asset Value of the relevant Class or Fund, unless otherwise stated in the relevant Supplement.

Any such adjustment charged will be for the account of the relevant Fund and the Directors reserve the right to waive the swing price adjustment or dilution levy at any time. When a swing price adjustment or dilution levy is not applied the relevant Fund may suffer dilution. Shareholders should note that a Fund's short-term performance may experience greater volatility as a result of the swing pricing policy.

<u>Publication of Price per Share</u>

The Price per Share may be obtained free of charge from, and will be available at the offices of the Registrar and Transfer Agent during business hours on each Business Day. In addition, the Price per Share is currently published at: www.mandg.lu/SICAVprices.

<u>Suspension of the Determination of the Net Asset Value</u>

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

(A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or

(B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or

(C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the Company's investments of the relevant Fund; or

(D) during the whole or any part of any period when for any reason the price or value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained; or

(E) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or

(F) following a possible decision to merge, liquidate or dissolve the Company or, if applicable, one or several Funds; or

(G) following the suspension of the calculation of the Net Asset Value per Share, the issue, redemption and/or the switch at the level of a master fund in which the Fund invests in its capacity as feeder fund of such master fund; or

(H) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or

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

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

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

FEES AND EXPENSES

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

Each Class of Shares in the Company has an "Ongoing Charges Figure" ("**OCF**"), and this is shown in the relevant KIID. The OCF is intended to assist Shareholders to ascertain and understand the impact of charges on their investment each year and to compare the level of those charges with the level of charges in other funds. The OCF excludes portfolio transaction costs and any initial charge or redemption charge, but will capture the effect of the various charges and expenses referred to below. Portfolio transaction costs include dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on Fund transactions. The annual and half yearly reports of the Company provide further information on portfolio transaction costs incurred in the relevant reporting period.

Initial Charge

The Company is permitted to make an initial charge on the subscription of Shares by an investor. Where applicable, the percentage rate of any initial charge will be disclosed in the relevant Supplement for each Fund. The maximum amount for such initial charge will be 5.25% of the value of the relevant subscription. Any initial charge will be passed to the Management Company or placement or other introducing agents.

Redemption Charge

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

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

Dilution Levy

Please refer to the above section entitled "Swing Pricing and Dilution Levy".

Annual Management Charge

Unless otherwise specified in the relevant Supplement, the Management Company is permitted to take a charge from each Share Class of each Fund as payment for carrying out its duties and responsibilities. This is known as the Management Company's "Annual Management Charge" (sometimes abbreviated to "**AMC**").

The Annual Management Charge is based on a percentage of the Net Asset Value of each Share Class in each Fund. The annual rate of this charge is set out in the Supplement for each Fund.

Each day the Management Company charges one-365th of the Annual Management Charge (or one-366th if it is a leap year). If the day is not a Dealing Day, the Management Company will take the charge into account on the next Dealing Day. The Management Company calculates this charge using the Net Asset Value of each Share Class on the previous Dealing Day.

Where a Fund invests in the units or shares of another fund managed by the Management Company, or by an associate of the Management Company, the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying funds. Underlying funds will also waive any initial or redemption charges which might otherwise apply. That way, the Management Company ensures that Shareholders are not charged twice.

The Management Company may from time to time, and in its sole discretion, and out of its own resources decide to waive or return to the Company all or a portion of the fee payable to the Management Company. It may also in its sole discretion based on objective criteria, and out of its own resources decide to rebate to some or all Shareholders (including the directors), their agents or to intermediaries, part or all of the fee payable to the Management Company.

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

The Investment Manager is remunerated by the Management Company from its Annual Management Charge.

Performance Fee

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

Share Class Hedging Fees

The Management Company is permitted to take a charge from each hedged Share Class of each Fund as payment for hedging services to that Share Class. This is called the Share Class Hedging Charge.

The Share Class Hedging Charge is a variable rate which is not expected to exceed 0.06% (plus any value added tax if applicable). The exact rate will vary within the specified range depending upon the total amount of share class hedging activities across the entire range of SICAVs managed by the Management Company.

The Share Class Hedging Charge is calculated and taken into account daily and paid fortnightly on the same basis as described above for the Annual Management Charge.

If the cost of providing share class hedging services to the Fund is more than the Share Class Hedging Charge taken in any period, the Management Company will make up the difference. If the cost of providing share class hedging services to the Company is less than the Share Class Hedging Charge taken in any period, the Management Company will keep the difference.

Depositary's Fees

Unless otherwise specified in the relevant Supplement, the Depositary takes a charge from each Fund as payment for its duties as depositary. This is called the Depositary's Charge. The Depositary's Charge is based on the Net Asset Value of each Fund, and in normal circumstances, the fees payable to the Depositary for its provision of services shall be subject to a maximum of 1 basis point.

The Depositary's Charge is calculated and taken into account daily on the same basis as described above for the Annual Management Charge.

The Depositary may also make a charge for its services in relation to:

- distributions;
- the provision of banking services;
- holding money on deposit;
- lending money;
- engaging in stock lending, derivative or unsecured loan transactions;
- the purchase or sale, or dealing in the purchase or sale of, the assets of the Company;

provided that the services are in accordance with the provisions of applicable law.

The Depositary is also entitled to payment and reimbursement of all costs, liabilities and expenses it incurs in the performance of, or in arranging the performance of, functions conferred on it by the Instrument of Incorporation or by general law. Such expenses generally include, but are not restricted to:

- delivery of stock to the Depositary or custodian;
- collection and distribution of income and capital;
- submission of tax returns and handling tax claims;
- such other duties as the Depositary is permitted or required by law to perform.

Custody Charges

Unless otherwise specified in the relevant Supplement, the Depositary is entitled to be paid a Custody Charge in relation to the safe-keeping of each Fund's assets ("custody"). The Custody Charge is variable depending upon the specific custody arrangements for each type of asset. The Custody Charge is a range between 0.00005% and 0.40% of the asset values per annum. The Custody Charge is taken into account daily in each Share Class's price. It is calculated each month using the value of each asset type and it is paid to the Depositary when it invoices the Fund.

Custody Transaction Charges

Unless otherwise specified in the relevant Supplement, the Depositary is also entitled to be paid Custody Transaction Charges in relation to processing transactions in each Fund's assets. The Custody Transaction Charges vary depending on the country and the type of transaction involved. The Custody Transaction Charges generally range between €5 and €100 per transaction. The Custody Transaction Charges are taken into account daily in each Share Class's price. It is calculated each month based on the number of transactions that have taken place and it is paid to the Depositary when it invoices the Fund.

Paying Agents' Fees

Unless otherwise specified in the relevant Supplement, fees and expenses of any paying agent(s) appointed by the Company, which will be at normal commercial rates, shall be borne by the Management Company.

Administration Fees

Unless otherwise specified in the relevant Supplement, the Management Company is permitted to take a charge from each Share Class of each Fund as payment for administrative services to the Company. This is called the Administration Charge.

The Administration Charge is based on a percentage of the Net Asset Value of each Share Class in each Fund.

The annual rate of this charge is set out in the Supplement for each Fund (plus any value added tax if applicable).

The Administration Charge is calculated and taken into account daily and is paid fortnightly to the Management Company on the same basis as described above for the Annual Management Charge.

If the cost of providing administrative services to the Company is more than the Administration Charge taken in any period, the Management Company will make up the difference. If the cost of providing administrative services to the Company is less than the Administration Charge taken in any period, the Management Company will keep the difference.

Directors' Fees

Unless otherwise specified in the relevant Supplement, the Management Company shall pay to each of the Directors an annual fee which is published in the corresponding annual/half-yearly report. The Management Company shall also reimburse the expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any). The Management Company shall pay such fees and expenses out of the Administration Charge (see above).

Service Provider Fees

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

Other Expenses

Unless otherwise specified in the relevant Supplement, the costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Management Company.

The direct establishment costs of each Fund formed, or Share Class created, may be borne by the relevant Fund or by the Management Company at its discretion.

The Company may pay out of the property of the Company charges and expenses incurred by the Company unless they are covered by the Administration Charge. These include the following expenses:

- reimbursement of all out of pocket expenses incurred by the Management Company in the performance of its duties;
- broker's commission, taxes and duties and other disbursements which are necessarily incurred in effecting transactions for the Funds;

- any fees or expenses of any legal or other professional adviser of the Company;

- any costs incurred in respect of meetings of Shareholders convened on a requisition by Shareholders but not those convened by the Management Company or an associate of the Management Company;

- liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Funds in consideration for the issue of Shares;

- interest on borrowing and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowing on behalf of the Funds;

- taxation and duties payable in respect of the property of the Funds or of the issue or redemption of Shares;

- the audit fees of the Auditor (including value added tax) and any expenses of the Auditor;

- if the Shares are listed on any stock exchange, the fees connected with the listing (though none of the Shares are currently listed); and

- any value added or similar tax relating to any charge or expense set out herein.

In certain circumstances, the Investment Manager may participate in a commission sharing arrangement. This is a term given to the system of commission payments awarded to participating brokers from the Investment Manager which may be used to pay other third party research providers. The participating brokers agree to “give up” commission payments in relation to equity trades to the research provider. This arrangement is founded on the basis that the participating broker keeps part of the commission for the execution service and the research provider receives commission for the research services provided to the Investment Manager.

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

<u>Single Charge</u>

When provided for in the relevant Supplement, the Management Company may receive a single charge as specified and described in the relevant Supplement.

<u>Allocation of Fees, Charges and Expenses</u>

All fees, duties, charges and expenses are charged to the relevant Fund and/or relevant Class in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the Directors may, in their discretion, allocate such fees and expenses in a manner which it considers fair to Shareholders generally. Unless otherwise specified in the relevant Supplement, for Distribution Shares, most charges and expenses are charged to capital. This treatment of the charges and expenses may increase the amount of income distributed to Shareholders in the Share Class concerned, but it may constrain capital growth. For Accumulation Shares, most charges and expenses are paid from income. If there is insufficient income to fully pay those charges and expenses, the residual amount is taken from capital.

TAXATION

The paragraphs below on Luxembourg and United Kingdom taxation are brief summaries of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation. The terms defined below should have the meaning given to them in the relevant laws and regulations.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of subscribing, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to taxation. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence. Some Shareholders may be subject to anti-offshore fund legislation and may have tax liability on the undistributed gains of the Company. The related consequences will vary with the law and practice of the jurisdiction with which the Shareholder has its residence, domiciliation or its incorporation as well as with the specific case of each Shareholder. The Directors of the Company and each of the Company's agents shall have no liability in respect of specific tax case of Shareholders.

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

Automatic Exchange of Information

Shareholders are informed that they are required to provide the Registrar and Transfer Agent with such information as is specified in the subscription form of the Company to enable the Company or the designated service provider of the Company to assess the status of Shareholders under FATCA and OECD CRS, in order for any subscription or subsequent subscription application to be accepted by the Company. The Company or the designated service provider of the Company may require Shareholders to provide any additional document it deems necessary to effect such assessment.

In case of delay or failure by a Shareholder to provide the documents required, the application for subscription may not be accepted. Neither the Company, nor the Registrar and Transfer Agent, has any liability for delays or failure to process deals as a result of the Shareholders providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated documents from time to time pursuant to on-going client due diligence requirements under FATCA and OECD CRS. Shareholders shall promptly inform the Company, or the Registrar and Transfer Agent, in case their status under FATCA or OECD CRS may change or has changed.

FATCA

FATCA provisions and related intergovernmental agreements (the "**IGAs**"), including the IGA entered into between the U.S. and Luxembourg on 28 March 2014 (the "**U.S. Luxembourg IGA**") approved by the Luxembourg law of 24 July 2015, generally require Luxembourg Foreign Financial Institutions (definitions have hereinafter the meaning given to them in the U.S. Luxembourg IGA) (the "**FFIs**") to report information concerning U.S. persons' direct and indirect ownership of certain U.S. Reportable Accounts. Such reporting is made directly to the Luxembourg tax administration, which will in turn report this to the U.S. Internal Revenue Service. Failure to provide the requested information may lead to a 30% withholding tax applying to certain

U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of the U.S. Luxembourg IGA include the Company as a FFI. The Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned IGA.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to notably:

- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with the relevant FATCA obligations;

- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority; and

- Divulge any such personal information to any immediate payer of certain U.S. source income as may be required for reporting to occur with respect to the payment of such income;.

An infringement of the obligations derived from FATCA may generate sanctions at the level of the FI ranging from EUR 1,500 to 0.5% of the amount object of the reporting. All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

OECD CRS

The Luxembourg law of 18 December 2015 (the "**AEOI Law**") introduced automatic exchange of information requirements by transposing European Council Directive 2014/107/EU of 9 December 2014 which adopted the OECD CRS. Consequently, Financial Institutions (definitions have hereinafter the meaning given to them in the AEOI Law) are required to undertake new on-boarding and due diligence procedures and report to the Luxembourg tax administration certain information about Account Holders who are tax resident in other Participating Jurisdictions. This information will be exchanged by the Luxembourg tax administration with the tax authorities of the country of residence of the reportable Account Holder.

Under the AEOI Law, Reporting Financial Institutions (including, amongst others, and under certain conditions, investment funds) are obliged to report information on account balances and financial income defined in a broad way (including, amongst others, distributions made by investment funds, and redemptions of fund units or shares), paid or credited to certain persons, which, broadly speaking, are tax residents of another Member State or of certain third countries that have signed a bilateral convention allowing such exchange.

The automatic exchange of information provisions covered in the AEOI Law are based on the OECD CRS, which has been developed by the OECD in the context of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters of 1 June 2011 (as amended). More than 100 jurisdictions have signed this OECD Multilateral Convention, or announced its intention to sign it. It is expected that additional multilateral and/or bilateral conventions will be concluded between a growing number of jurisdictions in order to impose similar automatic exchange of information obligations in the field of taxation.

An infringement of the obligations derived from the AEOI Law may generate sanctions at the level of the Reporting Financial Institution, ranging from EUR 1,500 to 0.5% of the amount object of the reporting. Prospective holders of the Company Shares are advised to seek their own professional advice in relation to OECD CRS on exchange of information.

Taxation of the Company in Luxembourg

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

Subscription tax

The Company is, in principle, 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 the Company at the end of the relevant calendar quarter.

This rate is reduced to 0.01% per annum for:

- Undertakings which sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;

- Undertakings which sole object is the collective investment in deposits with credit institutions; 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.

In addition, exemptions are available from the subscription tax where: (i) The value of the assets represented by units held in other UCIs, have already been subject to the subscription tax; (ii) UCIs for institutional investors invested in money market instruments; (iii) UCIs which securities are reserved for retirement pension schemes; (iv) UCIs which main objective is the investment in microfinance institutions; (v) UCIs which securities are listed or traded and which exclusive object is to replicate the performance of one or more indices.

Withholding tax

Under current Luxembourg tax law there is no withholding tax on any distribution made by the Company to the Shareholders.

Interest and dividend income received by the Company may be subject to withholding tax in the countries where investments are held. The Company may be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin, and provisions in this respect may be recognised in certain jurisdictions.

Income tax

The Company is exempt from Luxembourg income, profit or gains tax.

Net wealth tax

The Company is exempt from Luxembourg net wealth tax.

Other taxes

No stamp duty is generally payable in Luxembourg in connection with the issue of Shares against liquid assets by the Company.

Taxation of the Shareholders in Luxembourg

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

Under current Luxembourg tax law, Shareholders are not subject to any capital gains, income, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, in relation to their participation in the Company.

A non-resident Shareholder will be taxed on the income received from the Company in their home jurisdiction according to the rules applying in their specific jurisdictions.

General

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

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

RISK MANAGEMENT PROCESS

The Management Company must employ a risk management process which enables it to monitor and measure at any time the risk of the positions in the Funds' portfolios and their contribution to the overall risk profile of these portfolios. The Management Company has accordingly implemented a risk management process which will be followed in relation to the Company and each Fund. The risk management process enables the Management Company to assess the exposure of the Funds to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for each Fund. The directors of the Management Company will review such risk management process at least annually.

In relation to financial derivative instruments, the Management Company must employ a process (or processes) for accurate and independent assessment of the value of over-the-counter derivative instruments (the "**OTC Derivatives**") and the Company shall ensure for each Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of financial derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in financial derivative instruments.

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

Unless otherwise stated in the relevant Supplement, each Fund shall employ a Value-at-Risk ("**VaR**") model in determining its global exposure to financial derivative instruments and will ensure that such global exposure does not exceed the limits as set out in the CSSF Circular 11/512 of 30 May 2011, as may be amended or restated from time to time. The VaR approach measures the maximum potential loss, under normal market conditions, at a given confidence level (or probability) over a specific time period. Further information regarding the VaR approach is set out in the relevant Supplement.

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

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

Whenever risk management processes, adequate to perform the functions described above are employed on behalf of the Management Company by the Investment Manager in managing the Funds, they are deemed to be employed by the Management Company.

LEVERAGE

The use of financial derivative instruments may result in a Fund being leveraged. Leverage is monitored on a regular basis. The level of leverage for a Fund, when applicable, is not expected to exceed the level set out in each Supplement.

There are two methods of calculating the leverage of each Fund: (i) the commitment approach; and (ii) the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

When the VaR approach is used, the leverage is measured as the sum of the notionals of the financial derivative instruments. In this context, the leverage is measured as a percentage of the relevant Fund's Net Asset Value. Under certain circumstances (e.g. very low market volatility) the expected level of leverage may exceed the levels referred to in each Fund Supplement.

Shareholders should expect that the actual leverage of the Fund may vary (possibly significantly) from the estimated figures. In addition, Shareholders' attention is drawn to the fact that the use of such methodology may result in a high level of leverage which does not necessarily reflect the actual level of risk of the portfolio.

The methodology used by each Fund and the expected level of leverage (if applicable) will be indicated in each Supplement.

RISK FACTORS

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

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

General Risks

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

Business Risk

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

Effect of Initial Charge

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

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

Depositary – Segregation, sub-custodians and Insolvency

Where securities are held with a sub-custodian or by a securities depositary or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties.

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

Market Crisis and Governmental Intervention

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

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

FATCA and Compliance with US Withholding Tax Requirements

Provisions under the US HIRE Act, known as FATCA, generally will impose a 30% withholding tax on (a) certain US source payments (including interest and dividends) after 31 December 2013, (b) gross proceeds from the disposition of US equity or debt investments realised after 31 December 2016 and (c) starting no earlier than 1 January 2017, certain payments made by certain foreign entities to the extent the payments are treated as attributable to withholdable payments, unless the Company enters into an FFI agreement (as defined under "Taxation – United States of America") with the IRS. Luxembourg has entered into an IGA (as defined under "Taxation – United States of America") relating to FATCA with the United States. It is the intention of the Directors to comply with FATCA pursuant to the IGA. To comply, the Company will be required to, amongst other things, report on an annual basis information relating to the identity of certain investors (generally investors who are US taxpayers or who are owned by US taxpayers) and details relating to their holdings to the Luxembourg tax authorities.

A Shareholder that fails to provide promptly on request the required information to the Company (or, in the case of a Shareholder that is a "foreign financial institution" for purposes of FATCA, fails to itself enter into an FFI agreement with the IRS or otherwise comply with an applicable IGA) generally will be subject to the 30% withholding tax with respect to its share of any such payments directly or indirectly attributable to US investments of the Funds.

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

Hedging Risk

Hedging transactions may be entered into using futures, forwards or other exchange-traded or over-the-counter instruments or by the purchasing of securities ("**Hedging transactions**") in order to hedge the Fund's exposure to foreign exchange risk. The Investment Manager may, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations.

If undertaken, portfolio hedging aims to reduce the Fund's level of risk or hedge the currency exposure to the currency of denomination of some or all of the securities held by the Fund. Any currency hedging undertaken at portfolio level may not fully hedge currency exposure and will not fully mitigate currency risk. Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Fund or a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described under the risk factor headed “Derivatives - Counterparty” below.

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

Please refer to the risk factors headed “Hedged Share Classes – no segregation of liabilities between share classes in a Fund” and “Hedged Share Classes – implication for specific share class” below for further disclosure in relation to certain risks related to Shares being denominated in different currencies and assets of a Fund being denominated in a currency other than the Reference Currency of the relevant Fund.

Risk to Capital & Income will vary

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in shares, bonds and other stock market related assets. These fluctuations may be more extreme in periods of market disruption and other exceptional events. There can be no assurance that any appreciation in value of investments will occur or that the investment objective will actually be achieved. The value of investments and the income from them will fall as well as rise and investors may not recoup the original amount they invested. Past performance is not a guide to future performance.

Counterparty Risk

Whilst the Investment Manager will place transactions, hold positions (including derivatives transactions) and deposit cash with a range of counterparties, there is a risk that a counterparty may default on its obligations or become insolvent, which may put the Fund’s capital at risk.

Liquidity Risk

The Fund’s investments may be subject to liquidity constraints which means that securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.

Suspension of dealing in shares

Investors are reminded that in exceptional circumstances their right to sell or redeem Shares may be temporarily suspended.

Cancellation Risks

When cancellation rights are applicable and are exercised, the full amount invested may not be returned if the price falls before we are informed of your intention to cancel.

Inflation

A change in the rate of inflation will affect the real value of your investment.

Taxation

The current tax regime applicable to investors in collective investment schemes in their country of residence or domicile is not guaranteed and may be subject to change. Any changes may have a negative impact on returns received by investors.

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. The Funds rely extensively on tax treaties to reduce domestic rates of withholding tax in countries where it invests. A risk exists that tax authorities in countries with which Luxembourg has double tax treaties, may change their position on the application of the relevant tax treaty. As a consequence, higher tax may be suffered on investments, (e.g. as a result of the imposition of withholding tax in that foreign jurisdiction). Accordingly, any such withholding tax may impinge upon the returns to the Fund and investors.

In specific treaties which contain 'limitation of benefits' provisions (e.g. US), the tax treatment of the Fund may be affected by the tax profiles of investors in the fund as such treaties may require the majority of investors in the fund to be from the same jurisdiction. Failing to meet the limitation of benefits provision may result in increased withholding tax being suffered by the Fund.

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

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

Tax developments

The tax regulations which the Funds are subject to constantly change as a result of:

(i) technical developments – changes in law regulations;

(ii) interpretative developments – changes in the way tax authorities apply law; and

(iii) market practice – whilst tax law is in place, there may be difficulties applying the law in practice (e.g. due to operational constraints).

Any changes to the tax regimes applicable to the Funds and investors in their country of residence or domicile may impact negatively on the returns received by investors.

Cyber Event Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Funds, its service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, "**cyber-events**"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact a Fund and its Shareholders. A cyber-event may cause a Fund, or its service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support a Fund and its service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

Fund Specific Risks

Please review the relevant Fund Supplement for reference to specific risks associated with each particular Fund.

Currency & exchange rate risk

Currency exchange rate fluctuations will impact the value of a Fund which holds currencies or assets denominated in currencies that differ from the valuation currency of the Fund.

Currency risk on unhedged share classes

Currency exchange rate fluctuations will impact the value of a unhedged share classes where the currency of the share class differs from that of the valuation currency of the Fund.

Interest rate risk

Interest rate fluctuations will affect the capital and income value of investments within Funds that invest substantially in fixed income investments. This effect will be more apparent if the Fund holds a significant proportion of its portfolio in long dated securities.

Credit Risk

The value of the Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. AAA rated government and corporate bonds have a relatively low risk of default compared to non-investment grade bonds. However, the ratings are subject to change and they may be downgraded. The lower the rating the higher the risk of default.

Zero or Negative yield

The costs of using derivatives to implement a short position within a Fund, for example short positions in currency or Government bonds, may result in a zero or negative yield on the portfolio. In such circumstances the Fund may not make any distributions and any shortfall will be met from capital.

Emerging Markets

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

Securities markets in emerging market countries are generally not as large or as efficient as those in more developed economies and have substantially less dealing volume which can result in lack of liquidity. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange.

Accordingly, where a Fund invests substantially in securities listed or traded in such markets, its net asset value may be more volatile than a fund that invests in the securities of companies in developed countries. Further, custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Company will not be recognised as the owner of securities held on its behalf by a sub-custodian.

Substantial limitations may exist in certain countries with respect to repatriation of investment income or capital or the proceeds of sale of securities to foreign investors or by restriction on investment, all of which could adversely affect the Fund.

Many emerging markets do not have well developed regulatory systems and disclosure standards. In addition, accounting, auditing and financial reporting standards, and other regulatory practices and disclosure requirements (in terms of the nature, quality and timeliness of information disclosed to investors) applicable to companies in emerging markets are often less rigorous than in developed markets. Accordingly, investment opportunities may be more difficult to properly assess. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

Adverse market and political conditions arising in a specific emerging market country may spread to other countries within the region.

Political risks and adverse economic circumstances (including the risk of expropriation and nationalisation) are more likely to arise in these markets, putting the value of the investment at risk.

These factors may lead to temporary suspension of dealing units in the Fund.

Funds investing in specific countries, regions, sectors and assets classes

Funds investing in specific countries, regions, sectors or asset classes may be more volatile and carry a higher risk to capital than funds investing in a broader investment universe. This is because the former are more vulnerable to market sentiment specific to the country region/sector/asset class in which they invest compared with the latter which may be invested across several regions, sectors and asset classes.

Concentrated portfolio

Although the Investment Manager will seek to maximise thematic diversity wherever possible, in cases in which it is the Investment Manager's opinion that opportunities are limited to a few areas, there may be higher than usual concentration of asset or market exposure.

Hedged Share Classes - no segregation of liabilities between share classes in a Fund

Gains or losses arising from currency hedging transactions are borne by the Shareholders of the respective hedged Share Classes. Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, the settlement of currency hedging transactions or the requirement for collateral (if such activity is collateralised) in relation to one Share Class could have an adverse impact on the net asset value of the other Share Classes in issue.

Hedged Share Classes implications for specific share class

The Investment Manager will undertake transactions specifically to reduce the exposure of holders of hedged Share Classes to movements in the material currencies within a Fund's portfolio (look through), to movements in the material currencies within a Fund's portfolio to the extent of their weighting within the benchmark of the Fund (benchmark hedging) or to movements in the relevant hedging reference currency of the Fund (replication), as appropriate. The hedging strategy employed will not completely eliminate the exposure of the hedged Share Classes to currency movements and no assurance can be given that the hedging objective will be achieved. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant hedged Share Class from benefiting if the hedged Share Class Currency falls against the relevant hedging reference currency. Notwithstanding the hedging of the Share Classes described above, Shareholders in those Share Classes may still be exposed to an element of currency exchange rate risk.

During periods when interest rates across currency areas are very similar, the interest rate differential (the "**IRD**") is very small, the impact on hedged share class returns is low. However, in an environment where interest rates are significantly different between the relevant hedging reference currency of the Fund and the hedged Share Class Currency, the IRD will be higher and the performance difference will be greater.

Hedging methodology – replication

The Investment Manager undertakes hedging transactions to reduce the effect of exchange rate fluctuations between the currency of the hedged share classes and the relevant hedging reference currency.

Hedging methodology – look through

The Investment Manager undertakes hedging transactions specifically to reduce the exposure of the holders of hedged Classes to movements in the material currencies within a Fund's portfolio.

Where a Fund invests globally, proxy currencies may be used to hedge certain currency exposures where the cost of hedging the relevant reference currency may not achieve the best outcome. Where a suitable proxy currency cannot be determined, the exposure may remain un-hedged. The aggregate value of any un-hedged exposures at a particular point in time could be material.

Hedging methodology – benchmark

The Investment Manager undertakes hedging transactions to capture their active currency views relative to a pre-defined benchmark. The share class hedges the portfolio's currency exposures to the extent of their weighting within the benchmark of the Fund, therefore only leaving the share class exposed to the Investment Manager's active currency views.

Inflation linked Funds

Where a Fund is designed to provide protection against the effects of inflation, a change in the rate of inflation may affect the real value of your investment. The Fund will not necessarily track the inflation rate.

Liabilities of the Fund

Shareholders are not liable for the debts of the Fund. A Shareholder is not liable to make any further payment to the Fund after he has paid in full for the purchase of Shares.

Protected cell - Foreign courts

Whilst the Instrument of Incorporation provides for segregated liability between the Fund, the concept of segregated liability may not be recognised and given effect by a court in certain contexts including where relevant contractual documents involving the Funds are not construed in a manner to provide segregated liability. Where claims are brought by local creditors in foreign courts or under foreign contracts, and the liability relates to one Fund which is unable to discharge its liability, it is not clear whether a foreign court would give effect to the segregated liability contained in the Instrument of Incorporation. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Negative interest rates

Cash or money market instruments held in the Funds are subject to the prevailing interest rates in the specific currency of the asset. There may be situations where the interest rate environment results in rates turning negative. In such situations the Fund may have to pay to have money on deposit or hold the money market instrument.

Investment in funds

Collective investment schemes (or "funds") invest in a range of assets, each with its individual risks. While the Investment Manager will exercise due skill and care in selecting such schemes for investment, he will not have control over the management of these schemes or the fair pricing of the underlying securities. As such there is no guarantee that fair value of the fund's underlying holdings is at all times reflected in the reported net asset value.

Contingent Convertible Debts Securities

Trigger levels and conversion risks: contingent convertible debts securities are complex financial instruments in respect of which trigger levels and conversion risk, depending on the distance of the capital ratio to the trigger level, differ. It might be difficult for the Investment Manager to anticipate the triggering events that would require the debt to convert into equity and to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares because the investment policy of the Fund does not allow equity in its portfolio. This forces sale may itself lead to liquidity issue for these shares.

Unknown and yield risks: the structure of the contingent convertible debts securities is innovative yet untested. Investors have been drawn to this instrument as a result of its often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, contingent convertible debts securities tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 contingent convertible debts securities, coupon cancellation.

Write-down, capital structure inversion and industry concentration risks: the investment in contingent convertible debts securities may also result in a material loss. In this event, should a contingent convertible debts security undergo a write-down, the contingent convertible debts securities' investors may lose some or all of its original investment. Contrary to classical capital hierarchy, contingent convertible debts securities' investors may suffer a loss of capital when equity holders do not. To the extent that the investments are concentrated in a particular industry, the contingent convertible debts securities' investors will be susceptible to loss due to adverse occurrences affecting that industry.

Call extension risk: contingent convertible debts securities are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Coupon cancellation risk: for some contingent convertible debts securities, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Liquidity risk: In certain circumstances finding a ready buyer for contingent convertible debts securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

Redemption Charge

Funds may be subject to a redemption charge as described in the relevant Supplement. In certain cases, the Redemption Charge may vary with the holding period of the investment and therefore be higher if the investment is redeemed shortly after subscription. Shareholders should pay particular attention to such redemption charge in the relevant Supplement.

European Union and Eurozone Risk

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the EFSF) and the European Financial Stability Mechanism (the EFSM) to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the ESM), to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries from 1 July 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Ireland, Italy, Portugal and Spain, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Collateral.

Furthermore, 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 more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer, the Portfolio Investments (including the risks of currency losses arising out of redenomination and related haircuts on any affected areas) and the Securities. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Securities or the Portfolio Investments. It is difficult to predict the final outcome of the Eurozone crisis. Investors should carefully consider how changes to the Eurozone may affect their investment in the Securities.

On 23 June 2016 the United Kingdom (the "**UK**") voted to leave the European Union (the "**EU**") in a referendum (the "**UK Referendum**"). At the date of this Prospectus both the terms and the timing of the UK's exit from the EU are unclear. Moreover, the nature of the relationship of the UK with the remaining Member States (the "**EU27**") has yet to be discussed and negotiations with the EU27 on the terms of the exit have yet to commence.

Following the UK Referendum, the EU has entered into a period of political uncertainty both as to the nature and timing of the negotiations with the UK and how relationships, strategy and direction within the EU27 may progress going forward. Such uncertainty could lead to a high degree of economic and market disruption and uncertainty. It is not possible to ascertain how long this period will last and the impact it will have within the EU markets, including market value and liquidity, for securities similar to the Securities in particular. Such conditions could have a material adverse effect on the business, financial condition, results of operations and prospects of the Issuer, the Investment Manager and other transaction parties. The Issuer cannot predict when political stability will return, or when the market conditions relating to securities similar to the Securities will stabilise.

Investments in China

Funds may invest, in accordance with the relevant Supplement, in China A Shares which have exposure to the Chinese market. The exposure may be obtained via Stock Connects. Other than risks involved in investments in emerging markets, as well as other risks of investments generally, as described in this section, which are applicable to investments in China, investors should also note the additional specific risks below.

PRC Specific Risks

Political, Economic and Social Risks

Investments in the People's Republic of China (the "**PRC**") are subject to certain risks with regards to political changes, social instability and adverse diplomatic developments which may take place in or in relation to the PRC and which can notably conduct to additional restrictions and change in the policies of the government and relevant authorities of the PRC. Investor shall note that risk of expropriation, confiscatory taxes and nationalisation may possibly arise in the PRC market, putting the value of the investment at risk and affect the performance of the Funds investing in the PRC.

PRC Economic Risks

In order to support its economic growth and to control inflation, the PRC government has implemented economic measures and reforms in the last few years. There is no assurance that the PRC government will continue and maintain such economic policies and that the economic growth in PRC will continue. Changes in the economic policies may have an adverse impact on the PRC's economy and therefore affect the performance of the Funds investing in the PRC.

Legal System of the PRC

Stock Connects are subject to regulation by both Mainland China and Hong Kong which are relatively new. These regulations are untested and are subject to change. In addition, there is no certainty as to how they will apply and regarding their enforceability. There can be no assurance that changes in such regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of PRC companies which may issue securities to be invested by the Funds.

Accounting and Reporting Standards

Although accounting, auditing and financial standards and practices applicable to PRC companies should be based on the international accounting and reporting standards there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Currency Risks

Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies and repartition restrictions imposed by the PRC. Converting foreign currencies into Renminbi is carried out on the basis of the rate applicable to offshore Renminbi ("**CNH**"). The daily trading price of CNH against other major currencies in the inter-bank foreign exchange market is floating in a band around the central parity published by the People's Bank of China. The value of the CNH may differ, perhaps significantly, from the value of onshore Renminbi ("**CNY**") due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the Chinese government from time-to-time as well as other external factors and market forces.

If such policies change in the future, the Funds' position may be adversely affected as the Funds may hold assets denominated in Renminbi. There is no assurance that Renminbi will not be subject to devaluation, in which case the value of the investments may be adversely affected.

The CNH market is in early development and there may be periods in which it is difficult for market participants to obtain or dispose of CNH. Furthermore, government or regulatory intervention in the CNH market may impact the availability and/or convertibility of CNH. In such situations, the exchange rate may fluctuate substantially and it may not be possible to obtain an exchange rate through any customary channel.

Risks linked with dealing in securities in China via Stock Connects

Some of the Funds may seek exposure to stocks issued by companies listed on Mainland China stock exchanges via Stock Connects. Stock Connects are new trading programmes that link the stock markets in Shanghai or Shenzhen and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market.

Under the Shanghai-Hong Kong Stock Connect (the "**Shanghai Connect**"), the Funds, through their Hong Kong brokers, may trade certain eligibility shares listed on the Shanghai Stock Exchange (the "**SSE**"). The scope of Shanghai Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all China A Shares dual-listed on the SSE and the Stock Exchange of Hong Kong Limited (the "**SEHK**").

Under the Shenzhen-Hong Kong Stock Connect (the "**Shenzhen Connect**"), the Funds, through their Hong Kong brokers, may trade certain eligible shares listed on the Shenzhen Stock Exchange (the "**SZSE**"). The scope of Shenzhen Connect includes all constituent stocks of the

SZSE Component Index and the SZSE Small/Mid Cap Innovation Index and all China A Shares dual-listed on the SZSE and SEHK.

Only certain China A Shares are eligible to be accessed through the Stock Connects. Such securities may lose their eligibility at any time and be recalled from the scope of Stock Connects. When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds.

Furthermore, investor should note that market rules and disclosures requirements apply to companies issuing China A Shares, changes of such rules and requirements may affect share prices.

Trading restrictions

Funds investing in China A Shares will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

Beneficial owner of the China A Shares

The Funds trade SSE shares and SZSE shares through their brokers affiliated to the Funds sub-custodian who is SEHK exchange participants. These China A Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds the China A Shares of all its participants through a "single nominee omnibus securities account" in its name registered with China Securities Depository and Cleaning Corporation Limited ("**ChinaClear**"), the central securities depositary in Mainland China.

China A Share in which the Funds will invest will be held on behalf of the Funds by the HKSCC and the Funds should be considered as the beneficial owners of the China A Shares. The Funds are therefore eligible to exercise their rights through the nominee only. The law surrounding such rights and the concept of beneficial ownership are at their early stages in China and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks.

Investors should note that according to existing Mainland China practices, the Funds as a beneficial owner of China A Shares traded via Stock Connects cannot appoint proxies to attend shareholders' meetings on its behalf.

In the event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that China A Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in China A Shares in Mainland China.

The HKSCC is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited and is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A Shares. Although HKSCC does not claim proprietary interests in the Chiana A Shares held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of China A Shares.

Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. In the event of a ChinaClear default, HKSCC's liabilities in China A Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the Stock Connects securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connects' authorities. The chances of China Clear default are considered to be remote.

Risk of HKSCC default

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement or the loss of China A Shares and/or monies in connection with them and the Funds and their investors may suffer losses as a result. The Company shall be responsible or liable for any such losses.

Risk of volatility

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold by the Funds and the Net Asset Value of the Funds may be affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Funds investing in China A Shares.

Given that the China A Share market is considered volatile and unstable (with risk of suspension of a particular stock or governmental intervention), the subscription and redemption of Shares may also be disrupted.

Suspension Risk

It is contemplated that Stock Connects have the right to suspend or limit trading in any security traded on the relevant exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the relevant Funds to liquidate positions and could thereby expose the Funds to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Funds to liquidate positions at a favourable price, which could thereby expose the affected Funds to significant losses. Finally, where a suspension is effected, the relevant Funds' ability to access the PRC market will be adversely affected.

Quota and Other Limitations

Stock Connects allow non-Chinese investors to trade Chinese equities without a license, purchases of securities through such programmes are subject to market-wide quota limitations issued from time to time which may restrict a Fund's ability to deal via Stock Connects on a timely basis. Trading under the Stock Connects is initially subject to a maximum cross-boundary investment quota together with a daily quota. Quota limitations may prevent the Funds from purchasing China A Shares when it is otherwise advantageous to do so. In particular, once the quota are reached, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). This may impact that Fund's ability to implement its investment strategy effectively.

Differences in Trading Day

Because Stock Connects trades are routed through Hong Kong brokers and the SEHK, Stock Connects will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it may happen that during a normal trading day for the PRC market, Fund cannot carry out any China A Shares trading via the Stock Connects. As a result, prices of Stock Connects may fluctuate at times when the Funds are unable to add to or exit its position.

Additionally, an investor cannot purchase and sell the same security on the same trading day, which may restrict the Funds' ability to invest in China A Shares through Stock Connects and to enter into or exit trades where it is advantageous to do so on the same trading day.

Lack of Investor Protection

Stock Connects transactions are not covered by investor protection programs of either the Hong Kong, the SSE or the SZSE. Investment in SSE or SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE or SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connects.

Costs

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, Funds investing via Stock Connects may be subject to new fees arising from trading of China A Shares via the Stock Connects which are yet to be determined and announced by the relevant authorities.

<u>*Taxation of the Funds as a result from investments in China*</u>

General

By investing in China A Shares issued by tax residents in the PRC, a Fund may be subject to withholding and other taxes in the PRC, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties (the "**Arrangements**"). Such taxes may reduce the income from, and/or adversely affect the performance of such Fund.

Shareholders may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. It cannot be guaranteed that taxes paid at the level of the Funds investing in China A Shares will be attributable to any Shareholders for personal tax purposes.

The current tax laws, regulations and practice in China may change in the future with retrospective effect.

*Corporate Income Tax (“**CIT**”)*

The Funds investing in China A Shares will be managed in such a manner that the Company and such Funds should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with a permanent establishment (“**PE**”) in the PRC for CIT law purposes, although this cannot be guaranteed.

*Withholding Tax (“**WHT**”)*

Unless a specific exemption / reduction is applicable, the income from interests, dividends and other profit distributions of the Fund investing in China A Shares and sourced from the PRC is generally subject to PRC WHT. The general WHT rate applicable is 10%. Such WHT may reduce the income from, and/or adversely affect the performance of, such Funds investing in China A Shares.

Capital Gains Tax

There is a risk that the relevant PRC tax authority may impose a capital gain tax on unrealised and realised gains from dealings in PRC securities and bonds and this will have an impact on the net asset value of the Funds investing in China A Shares, as further described below.

Value Added Tax

Under the Arrangement, PRC value added tax is not currently applied to dividends or interest. This exemption is temporary and there is no assurance that the PRC government will maintain such exemption and that may affect the performance of the Funds investing in the PRC

Stamp duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty. Hong Kong market investors trading through Stock Connects are required to pay stamp duty arising from the sale and purchase of China A Shares and the transfer of China A Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations (currently, 0.1% on the transferor).

Legal and Regulatory Uncertainties

The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Shares in the Funds investing in China A Shares. There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the Funds investing in China A Shares and/or its Shareholders.

Derivatives

Derivatives (sophisticated funds)

The Fund undertakes transactions in derivatives and forward transactions, both on exchange and over the counter ("**OTC**"), for the purposes of meeting the investment objective, protecting the risk to capital, currency, duration and credit management, as well as for hedging. Derivative instruments can include, but not limited to, futures, forwards, swaps, (including total return swaps), options and contracts for differences. These instruments can be highly volatile and expose investors to a high risk of loss. Such instruments normally require only low initial margin deposits in order to establish a position in such instruments and may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

The Risk Management Process document sets out the approved derivative strategies.

Derivatives – Correlation (Basis Risk)

Correlation risk is the risk of loss due to divergence between two rates or prices. This applies particularly where an underlying position is hedged through derivative contracts which are not the same as (but may be similar to) the underlying position.

Derivatives – Valuation

Valuation risk is the risk of differing valuations of derivatives arising from different permitted valuation methods. Many derivatives, in particular non-exchange traded ("**OTC**") derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals who are often also the counterparty to the transaction. As a result, the daily valuation may differ from the price that can actually be achieved when trading the position in the market.

Derivatives – Liquidity

Liquidity risk exists when a particular instrument is difficult to purchase or sell. Derivative transactions that are particularly large, or traded off market (i.e. over the counter), may be less liquid and therefore not readily adjusted or closed out. Where it is possible to buy or sell, this may be at a price that differs from the price of the position as reflected in the valuation.

Derivatives – Counterparty

Certain derivative types may require the establishment of a long term exposure to a single counterparty which increases the risk of counterparty default or insolvency. While these positions are collateralised, there is a residual risk between both the mark to market and the receipt of the corresponding collateral as well as between the final settlement of the contract and the return of any collateral amount, this risk is referred to as daylight risk. In certain circumstances, the physical collateral returned may differ from the original collateral posted. This may impact the future returns of the Fund.

Derivatives – Delivery

The Fund's ability to settle derivative contracts on their maturity may be affected by the level of liquidity in the underlying asset. In such circumstances, there is a risk of loss to the Fund.

Derivatives – Legal Risk

Derivative transactions are typically undertaken under separate legal arrangements. In the case of over the counter ("**OTC**") derivatives, a standard International Swaps and Derivatives Association ("**ISDA**") agreement is used to govern the trade between the Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral.

As a result, there is a risk of loss to the Fund where liabilities in those agreements are challenged in a court of law.

Derivatives – Volatility

Derivatives may be used to generate market exposure to investments exceeding the net asset value of the Fund, thereby exposing the Fund to a higher degree of risk than an equivalent Fund that does not use derivatives. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the Fund.

Derivatives – Limited Use

Derivatives may be used in a limited way to obtain exposure to investments rather than holding the investments directly. It is anticipated that the use of derivatives will not materially alter the risk profile of the Fund or increase price fluctuations compared to equivalent funds that do not invest in derivatives.

Limited Credit Leverage

Derivatives may be used in a limited way to generate credit exposure to investments exceeding the net asset value of the Fund, thereby exposing the Fund to a higher degree of risk. As a result of increased market exposure, the size of any positive or negative movement in markets will have a relatively larger effect on the net asset value of the Fund. The additional credit exposure will however be limited to such an extent as to not materially increase the overall volatility of the net asset value.

Short Sales

The Fund may take short positions through the use of derivatives which are not backed by equivalent physical assets. Short positions reflect an investment view that the price of the underlying asset is expected to fall in value. Accordingly, if this view is incorrect and the asset rises in value, the short position could involve losses of the Fund's capital due to the theoretical possibility of an unlimited rise in their market price.

However, shorting strategies are actively managed by the Investment Manager such that the extent of the losses will be limited.

Currency Strategies

Funds which use currency management strategies may have substantially altered exposures to currency exchange rates. Should these currencies not perform as the fund Investment Manager expects, the strategy may have a negative effect on performance.

Negative Duration

The Fund may take a negative duration position if the Investment Manager believes yields are likely to rise strongly. This means the Fund could produce a capital gain if bond yields increase which is not normally achievable by a typical bond fund. However, if the Fund is positioned with negative duration and yields fall, the position will be detrimental to performance.

Convertible Bond Transactions

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

Credit Default Swaps

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

Swap Agreements

The Company may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Company's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Company is not limited to any particular form of swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Fund.

Swap agreements tend to shift the Company's investment exposure from one type of investment to another. For example, if the Company agrees to exchange payments in one currency for payments another currency, the swap agreement would tend to decrease the Company's exposure to interest rates in the country and/or region of the first currency and increase its exposure to the other currency and interest rates in the relevant country and/or region. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Company's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Company. If a swap agreement calls for payments by the Company, the Company must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Company. Use of swaps agreements may also incur counterparty risk as defined below.

Securities Lending and Repurchase Contracts[1]

Securities lending and repurchase contracts involve a number of risks, including many of those with respect to derivatives (above) and collateral (below). In addition, the following additional risks may be relevant:

Securities lent under securities lending transactions may be returned late by the borrower or not at all as a result of the borrower's default or administrative or operational error. This might mean that the Fund is unable to meet its obligation to complete the sale of the relevant security, causing it to breach its contractual obligations to a third party purchaser. If the borrower of a security defaults, to the extent that the value of the collateral held by the Fund at the relevant time is less than the value of the securities lent by the Fund, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Repurchase transactions involve the risk that the face value of the cash received by the Fund falls below the market value of the securities sold under the transaction. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (eg becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the securities sold, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Reverse repurchase contracts involve the risk that the market value of the securities bought by the Fund falls below the face value of the cash it pays for them. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the cash paid, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Collateral

The taking of collateral may reduce counterparty risk but it does not eliminate it entirely. There is a risk that the value of collateral held by the Fund may not be sufficient to cover the Fund's exposure to an insolvent counterparty. This could for example be due to the issuer of the collateral itself defaulting (or, in the case of cash collateral, the bank with whom such cash is placed becoming insolvent), lack of liquidity in the relevant collateral meaning that it cannot be sold in a timely manner on the failure of the collateral giver, or price volatility due to market events. In the event that the Fund attempts to realise collateral following the default by a counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Fund's exposure to the counterparty and the Fund may not recover any shortfall. It is also possible that assets held as collateral in custody may be lost although, for financial assets held in custody, the Depositary will be obliged to return equivalent assets.

Collateral management is also subject to a number of operational risks, which can result in a failure to request collateral to cover the exposure of a Fund or failure to demand the return of collateral from a counterparty when due. There is the risk that the legal arrangements entered into by the Company for the account of a Fund are held not to be enforceable in the courts of the

[1] The Company does not currently engage in Securities Lending and Repurchase Contracts and this Prospectus will be amended before it may do so.

relevant jurisdiction, meaning that the Fund is unable to enforce its rights over the collateral received in the case of a counterparty failure.

Collateral will not be reused.

Where collateral is delivered by way of title transfer, the Fund will be exposed to the creditworthiness of the counterparty and, in the event of insolvency, the Fund will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Fund's exposure to the counterparty.

CONFLICTS OF INTEREST

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

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

The Depositary may from time to time, act as the depositary of other open-ended investment companies. Further information regarding the Depositary's conflict of interest arrangements are summarized in this Prospectus under the heading "The Depositary". The Depositary will provide, from time to time, a description of the conflicts of interest that may arise in respect of its duties. Moreover, if the Depositary delegates the whole or part of its safekeeping functions to a sub-custodian, it will provide, from time to time, a list of any conflicts of interest that may arise from such a delegation.

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

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

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

USE OF DEALING COMMISSIONS

The Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager. The services which can be paid for under such arrangements are those permitted under the FCA Rules, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Investment Manager. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Company and to other third parties. Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgment of the Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services may be used by the Investment Manager in connection with transactions in which the Company will not participate.

The Company's commission sharing arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Company when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Investment Manager for the Company; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; (iv) the Investment Manager will provide periodic reports to the Directors with respect to commission sharing arrangements including the nature of the services it receives; and (v) soft commission agreements will be listed in such periodic reports.

Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of investment decision-making responsibilities. The Investment Manager intends to limit its use of "soft dollars" to those services which would be within the safe harbor afforded by Section 28(e) of the Exchange Act.

CO-MANAGEMENT AND POOLING

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

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

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

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

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

GENERAL INFORMATION

1. Shareholder meetings and reports to Shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Fund) shall be mailed to each Shareholder at least eight (8) days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Directors. All Shareholders have the same rights in respect of their Shares, regardless of the Class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

The Articles permit the Company to issue fractional Shares. Such fractional Shares shall not be entitled to vote, unless the number that such fractional Shares represent is an entire Share (in which case they together confer a voting right, as outline above).

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

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

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

The Company's financial statements will be prepared in accordance with generally accepted accounting principles in Luxembourg.

The aforementioned documents will be at the disposal of the Shareholders within four (4) months for the annual reports and two (2) months for the half-yearly reports of the date thereof at the registered office of the Company. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the Company and will also be available on the website www.mandg.lu/literature.

The annual accounting period of the Company commences on 1 April of each year and ends on 31 March of each year. The first accounting period of the Company started on the launch date of the Company and will end on 31 March 2017. The Company will publish an annual report as of Accounting Date and a half-yearly report drawn up as of Interim Accounting Date in each year. The first audited report will be published as of 31 March 2017. A first half-yearly report will be published as of 30 September 2017.

The annual general meeting shall be held in accordance with Luxembourg law at the Registered Office of the Company or at a place specified in the notice of meeting each year.

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

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

2. **Dissolution and Liquidation of the Company**

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

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

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

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

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

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

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

3. **Closure of Funds and Classes**

3.1 **Closure decided by the Directors**

In the event:

(A) that for any reason the value of the total net assets in any Class or Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for such Class or Fund to be operated in an economically efficient manner;

(B) of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; or

(C) that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

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

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

3.2 **Closure decided by the Shareholders**

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the Shareholders of any Class or Fund acting at a general meeting of the Shareholders of such Class or Fund may, upon a proposal from the Directors, require the redemption of all the Shares of the relevant Class or Fund and the refunding to the relevant Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

3.3 **Consequences of the closure**

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

All redeemed Shares shall be cancelled.

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

4. **<u>Mergers and divisions</u>**

4.1 **Mergers**

In the event:

(A) that for any reason the value of the total net assets of the Company or in any Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for the Company or such Fund to be operated in an economically efficient manner;

(B) of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; or

(C) that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

the Directors may decide to proceed with a merger (as defined by the UCI Law) of the assets of the Company or any Fund with those of (i) another existing Fund within the Company or another sub-fund of another Luxembourg or foreign UCITS (the “**new sub-fund**”) or of (ii) another Luxembourg or foreign UCITS (the “**new UCITS**”), and to re-designate the Shares of the Company or the Fund concerned as Shares of the new UCITS or the new sub-fund, as applicable.

In case the Company or the Fund involved in a merger is the receiving UCITS (as defined by the UCI Law), the Directors will decide on the effective date of the merger it has initiated.

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

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

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

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

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

4.2 Divisions

In the event:

(A) that the Directors determine that the division of a Fund is in the best interests of the Shareholders of the relevant Fund; or

(B) a change in the political, economic or monetary situation relating to the relevant Fund,

that Fund may be reorganised, by means of a division into two or more Funds.

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

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

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

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

5. **Indemnity**

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

6. **Access to Documents**

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

(A) the Articles and any amendments thereto;

(B) the latest Prospectus;

(C) the latest KIIDs;

(D) once published, the latest reports and financial statements referred to under the heading “Shareholder meetings and reports to Shareholders”.

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

APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS

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

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

1. **Permitted Investments**

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

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

1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public;

1.3 Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Non-Member State or dealt in on another market in an Non-Member State which is regulated, operates regularly and is recognised and open to the public;

1.4 recently issued Transferable Securities and Money Market Instruments, provided that:

(A) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1 to 1.3 above; and

(B) such admission is secured within one year of issue;

1.5 units or shares of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:

(A) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;

(B) the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of UCITS Directive;

(C) the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

(D) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

1.6 deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

1.7 financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in over-the-counter ("**over-the-counter derivatives**" / "**OTC**")), provided that:

(A) - the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objectives and policies;

- the counterparties to over-the-counter derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

- the over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and

- exposure to the underlying assets does not exceed the investment restrictions set out in 2.12 below;

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

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

(A) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the EU belong; or

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

(C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

(D) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

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

(A) the Target Fund does not invest in the investing Fund;

(B) not more than 10 % of the assets of the Target Fund may be invested in other Funds of the Company;

(C) the voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment;

(D) in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

(E) there is no duplication of management/subscription or repurchase fees between those at the level of the Fund of the Company having invested in the Target Fund and this Target Fund.

1.10 However, each Fund:

(A) shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.4 and 1.8 above;

(B) shall not acquire either precious metals or certificates representing them;

(C) may hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the Shareholders;

(D) may acquire movable and immovable property which is essential for the direct pursuit of its business;

(E) may borrow up to 10% of its net assets, provided that such borrowings (i) are made only on a temporary basis or (ii) enables the acquisitions of immovable property essential for the direct pursuit of its business. Where a Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction; and

(F) may acquire foreign currency by means of a back-to-back loan.

2. <u>Investment Restrictions</u>

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

2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

Transferable Securities and Money Market Instruments

2.3 No Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

(A) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or

(B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and over-the-counter derivative transactions made with financial institutions subject to prudential supervision.

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

2.5 The limit of 10% set forth above under 2.3(A) above is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Non-Member State or by a public international body of which one or more Member State(s) are member(s).

2.6 The limit of 10% set forth above under 2.3(A) above is increased 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 Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.

2.7 The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3(B) above.

2.8 Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD such as the US, by certain non-Member States of the OECD (currently Brazil, Indonesia, India, Russia and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) (collectively, “**Public Issuers**”), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.

2.9 When investing in financial derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, the diversification requirements set out in the preceding paragraph do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in financial derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Fund’s net assets.

2.10 Without prejudice to the limits set forth hereunder under 2.22 and 2.23 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

(A) the composition of the index is sufficiently diversified;

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

(C) it is published in an appropriate manner.

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

Bank Deposits

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

Financial Derivative Instruments

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

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

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

Any returns or losses generated by over-the-counter derivative transactions will be for the account of the Fund, subject to the terms agreed with the relevant counterparty or broker which may provide for deductions for taxes and any fees, costs and expenses of the counterparty or broker, any custodian or third parties securities lending agent, which parties may be affiliated with the Management Company and/or the Investment Manager to the extent permitted under applicable laws and regulations. Where a Fund uses over-the-counter derivative transactions, these may include total return swaps.

In summary, a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation, which may for example be a share, bond or index, to the other party (total return receiver). The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses. A Fund may use a total return swap to gain exposure to an asset (or other reference obligation), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss.

Subject to the Fund's Investment Objective and Investment Policy and subject to this section "Investment Restrictions and Powers", total return swaps may be used by a Fund to gain exposure on a total return basis to any asset that the Fund is otherwise permitted to gain exposure to, including transferable securities, approved money-market instruments, collective investment scheme units, derivatives, financial indices, foreign exchange rates and currencies.

Units of open-ended funds

2.15 Unless otherwise provided in a Fund's Supplement, a Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Fund's net assets. For the purpose of the application of this investment limit, each portfolio of a UCITS or other UCI with multiple portfolios within the meaning of article 181 of the UCI Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured.

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

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

2.18 Notwithstanding the above restrictions, a Fund (the "**Investing Fund**") may subscribe and/or hold units issued by one or more other Funds (each a "**Second Fund**"), provided that:

(A) the Second Fund does not, in turn, invest in or hold units in the Investing Fund; and

(B) no more than 10% of the assets of the Second Fund may (according to its investment policy) be invested in units of other UCITS or UCIs; and

(C) the Investing Fund may not invest more than 20% of its Net Asset Value in units of a single Second Fund; and

(D) voting rights, if any, attaching to the units of the Second Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(E) for as long as these units are held by the Investing Fund, their value will not be taken into account for the calculation of the Net Asset Value of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

(F) there is no duplication of management, subscription or redemption fees between those at the level of the Investing Fund and those at the level of the Second Fund.

Master-Feeder structure

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

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

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

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

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

2.21 A Feeder Fund that invests into a Master shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Feeder Fund itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

Combined limits

2.22 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

(A) investments in Transferable Securities or Money Market Instruments issued by that body;

(B) deposits made with that body; and/or

(C) exposures arising from over-the-counter derivative transactions undertaken with that body and securities financing transactions and efficient portfolio management techniques.

2.23 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not exceed a total of 35% of the net assets of each Fund.

2.24 The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.

2.25 The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI.

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

2.26 The limits set forth above under 2.22 and 2.23 do not apply in respect of:

(A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

(B) Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;

(C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);

(D) Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23; or

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

3. <u>Global Exposure</u>

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

A Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

4. <u>Additional investment restrictions</u>

4.1 No Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.

4.2 No Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

4.3 The investment policy of a Fund may replicate the composition of an index of securities or debt securities, in compliance with applicable laws and regulations, in particular, the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive and ESMA Guidelines 2014/937.

4.4 A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Fund from investing in Transferable Securities which are not fully paid-up, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending' below).

4.5 The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.

4.6 The ceilings set forth above may be disregarded by each Fund when exercising subscription rights attaching to securities in such Fund's portfolio.

4.7 If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

4.8 The Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

5. Efficient portfolio management techniques and instruments

5.1 General

When specified in the relevant Supplement, a Fund may employ techniques and instruments including securities financing transactions relating to Transferable Securities, Money Market Instruments and other financial liquid assets for efficient portfolio management purposes which include hedging or other risk management purposes.

When these operations concern the use of financial derivative instruments, these conditions and limits shall conform to the provisions laid down above. Under no circumstances shall these operations cause a Fund to diverge from its investment objectives as set out in the relevant Supplement.

5.2 Repurchase agreements and reverse repurchase agreements[2]

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

Under a repurchase agreement, one party sells securities (such as shares or bonds) to another party at one price at the start of the trade and at the same time agrees to repurchase (buy back) the asset from the original buyer at a different price at a future date or on demand. The term 'reverse repurchase contact' describes the same contract from the perspective of the buyer.

[2] The Company does not currently engage in repurchase agreements and reverse repurchase transactions and this Prospectus will be amended before it may do so.

A Fund may act as buyer or seller under a repurchase agreement. The types of assets that can be subject to a repurchase agreement are securities (both bonds and shares).

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

(A) A Fund may not buy or sell securities using a repurchase agreement or reverse repurchase agreement transaction unless the counterparty is an eligible counterparty as provided by the applicable laws and regulations and is permitted by the CSSF.

(B) As a Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement and reverse repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy.

(C) A Fund that enters into a repurchase or reverse repurchase agreement must ensure that it is able at any time to terminate the repurchase or reverse repurchase agreement, as applicable, or recall any securities or the full amount of cash subject to the repurchase or reverse repurchase agreement respectively, unless the agreement is entered into for a fixed term not exceeding seven days.

5.3 Securities Lending[3]

The Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU law, in exchange for a securities lending fee.

A securities lending transaction is similar to a repurchase contract. The lender transfers ownership of an asset to a third party (the borrower), who pays a fee to the lender for the use of the loaned asset and agrees to return the securities at the end of the transaction. Even though the parties are called lender and borrower, actual ownership of the assets is transferred. A Fund may act as lender or borrower under a stock lending transaction. The types of assets that can be subject to a securities lending transaction are securities (both bonds and shares).

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

5.4 Transparency of securities financing transactions and of reuse (SFTR)

General description of total return swaps and the rationale of their use

In order to achieve an optimum return from capital invested, while reducing investment risk through diversification, the Company may enter into total return swaps only. In accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (the "**SFTR Regulation**"), this Prospectus contains a general description of the total return swaps used and more details may be found under each Supplement.

[3]The Company does not currently engage in securities lending transactions and this Prospectus will be amended before it may do so.

The Funds may enter into total return swaps for investment purposes, in order to achieve their investment objectives. General description for the use of total return swaps may be found under each supplement.

A total return swap is an agreement between two counterparties to swap the total return on an asset (the capital gain plus any income the asset generates) in return for payments based on a fixed or variable rate. As an unfunded transaction, the fixed or variable rate will have an additional spread to reflect the cost of funding using the balance sheet of the counterparty. This simulates the purchase or sale of an instrument with 100% financing.

Total return swaps will not be cleared.

M&G (Lux) Global Target Return Fund

The Fund may enter into total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

Generally this will be used to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors and equity indices (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF. An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Equity Basket	Single stocks	Desire to short a basket of single shares
		Long position in a large basket of single shares
Equity Sector	Equity sector (single shares)	Sector position with capped positions in large single shares
		Short position in an equity sector
Equity Index	Equity Index (single shares)	Long/short position in an equity index where no future is available
Bond Basket	Single bonds	Shorting a basket of single bonds
Individual government bond	Single bonds	Long / short position on a government bond with no liquid future

M&G (Lux) Absolute Return Bond Fund

The Fund may enter into total return swaps on single-name bonds, bond indices, baskets of bonds and government bonds. Generally this will be to hedge or add credit market exposure. The use of total return swaps for this purpose is primarily to provide a more precise hedge or closer match to the desired credit market exposure than could be achieved by using different instruments, for example CDS index positions. An example of this would be where the Fund may hedge credit risk exposure by paying the total return of a basket of bonds, in return for receipt of a fixed or floating rate payment.

The Fund could also use total return swaps to gain exposure to single-name bonds or bond indices, baskets of bonds and government bonds. The use of total return swaps is then primarily to facilitate an investment (long or short) where there is no available listed instrument, such as a future or ETF. An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Bond index	Bond index (single bonds)	Reduce (hedge) credit market risk
		Add credit market risk
Bond sector or Bond basket	Bond sectors (single bonds)	Reduce (hedge) credit risk exposure
		Add credit risk exposure
Individual bond or government bond	Single bonds	Reduce (hedge) credit risk exposure to specific issuer
		Add credit risk exposure to specific issuer

<u>M&G (Lux) Income Allocation Fund</u>

The Fund may enter into total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

Generally this will be used to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors and equity indices (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF. An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Equity Basket	Single stocks	Desire to short a basket of single shares
		Long position in a large basket of single shares
Equity Sector	Equity sector (single shares)	Sector position with capped positions in large single shares
		Short position in an equity sector
Equity Index	Equity Index (single shares)	Long/short position in an equity index where no future is available
Bond Basket	Single bonds	Shorting a basket of single bonds
Individual government bond	Single bonds	Long / short position on a government bond with no liquid future

<u>M&G (Lux) Conservative Allocation Fund</u>

The Fund may enter into total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

Generally this will be used to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors and equity indices (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF. An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Equity Basket	Single stocks	Desire to short a basket of single shares
		Long position in a large basket of single shares
Equity Sector	Equity sector (single shares)	Sector position with capped positions in large single shares
		Short position in an equity sector
Equity Index	Equity Index (single shares)	Long/short position in an equity index where no future is available
Bond Basket	Single bonds	Shorting a basket of single bonds
Individual government bond	Single bonds	Long / short position on a government bond with no liquid future

M&G (Lux) Dynamic Allocation Fund

The Fund may enter into total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

Generally this will be used to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors and equity indices (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF. An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Equity Basket	Single stocks	Desire to short a basket of single shares
		Long position in a large basket of single shares
Equity Sector	Equity sector (single shares)	Sector position with capped positions in large single shares
		Short position in an equity sector
Equity Index	Equity Index (single shares)	Long/short position in an equity index where no future is available
Bond Basket	Single bonds	Shorting a basket of single bonds
Individual government bond	Single bonds	Long / short position on a government bond with no liquid future

Data to be reported for each type

All the assets of M&G (Lux) Global Target Return Fund, M&G (Lux) Absolute Return Bond Fund, M&G (Lux) Income Allocation Fund, M&G (Lux) Conservative Allocation Fund and M&G (Lux) Dynamic Allocation Fund may be subject to total return swaps under the following proportions:

	Maximum proportion of Net Asset Value	Expected proportion of Net Asset Value
Total return swaps	50%	25%

Counterparties

Counterparty	Country of Incorporation	Legal form	Minimum Rating acceptable
Australia and New Zealand Banking Group Limited A.B.N.	Australia	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Barclays Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
BNP Paribas	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Citigroup Global Markets Limited	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Agricole Corporate & Investment Bank	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse AG (London Branch)	Switzerland	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse Securities (Europe) Limited	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Deutsche Bank AG	Germany	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-

Goldman Sachs International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
HSBC Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
ING Bank NV	Netherlands	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
JP Morgan Securities Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Lloyds Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Merrill Lynch International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Morgan Stanley & Co International Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
National Australia Bank Limited	Australia	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Royal Bank of Canada	Canada	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Societe Generale	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Standard Chartered Bank	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-

State Street Bank & Trust Company	US	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
The Royal Bank of Scotland PLC	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
UBS AG	Switzerland	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-

With respect to the counterparty, the total return swaps will be unfunded as the notional value of the total return swap is not exchanged with the counterparty at initiation.

Acceptable collateral

Accepted collateral	Type of assets	Issuer	Maturity	Liquidity[4]	Collateral diversification	Correlation policies
Government bonds	Bonds	National governments of countries in the EEA, the United States or the United Kingdom	0-20+ years	Haircut of 0%-5% will be applied.	National governments of countries in the EEA, the United States or the United Kingdom	Not applicable
Supra-national bonds	Bonds	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	0-20+ years	Haircut of 0%-5% will be applied.	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	Not applicable
Corporate bonds	Bonds	Corporation which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch	0-20 years	Haircut of 3%-15% will be applied.	Corporations which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch	Bonds of the same issuer as the counterparty or the Management Company or Investment Manager, or related securities, are

[4] Liquidity is a factor of the underlying issuer and market conditions at the time. Additional haircuts are applied to account for liquidity, price volatility and credit quality of the issuers.

		or Baa3 or above by Moody's)			or Baa3 or above by Moody's)	not acceptable.
Cash	Cash	GBP, Euro or US Dollar	Not applicable	Generally the most liquid and haircuts not normally applied.	GBP, Euro or US Dollar	Not applicable.

Collateral valuation and reuse of collateral

As part of these transactions, the Company will receive collateral of high quality to be given in the form and nature as detailed in the sub-section 5.6 headed "Collateral Policy for OTC derivatives and for efficient portfolio management techniques (including securities financing transactions)" below.

Collateral may not be reused.

Risk management

Information may be found under sub-sections headed "Swap Agreements" and "Collateral" above.

Safekeeping

The assets subject to total return swaps and collateral received are safe-kept with the Depositary or third party depositary with which the Depositary has entered into an agreement to secure its depositary obligations, as appropriate.

Return generated by total return swaps

In case there are revenues arising from the total return swaps, they shall be returned to the Company following the deduction of any costs and fees.

5.5 **Fees and costs arising from efficient portfolio management techniques including securities financing transactions**

Each Fund may incur costs and fees in connection with efficient portfolio management techniques including securities financing transactions. In particular a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary and the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be made available in the annual report. All revenues arising from efficient portfolio management techniques (including securities financing transactions), not of direct and indirect operational costs and fees, will be returned to the Fund.

5.6 **Collateral policy for OTC derivatives and for efficient portfolio management techniques (including securities financing transactions)**

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

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

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. Reinvested cash collateral will be diversified in accordance with this requirement.

Permitted types of collateral include cash, government bonds and corporate bonds to the extent that collateral used is in line with the criteria listed under Article 43 of the ESMA Guidelines 2014/937.

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

The Company will determine the required level of collateral for OTC derivatives and efficient portfolio management techniques (including securities financing transactions) by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. Generally, securities collateral will be valued at bid price on a daily basis because this is the price that would be obtained if the Fund were to sell the securities following a counterparty default. However, mid-market prices may be used where this is the market practice for the relevant transaction. Subject to any minimum transfer amount and/or unsecured threshold amount (below which collateral is not provided), where required, variation margin is generally transferred on a daily basis in respect of any net exposure between a Fund and its counterparty.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the Company. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or

– invested in eligible short-term money market funds.

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

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

APPENDIX 2: SHARE CLASS DETAILS

The information contained in this Appendix 2 should be read in conjunction with the full text of this Prospectus and relevant Supplement(s).

Currently, shares including the designation “Class A”, “Class B”, “Class C” or “Class CI”, “Class E”, “Class F”, “Class L”, “Class Z” or “Class P” are available for issue. Each Share Class, where available, may also have different distribution policies as described under the section of the Prospectus headed “The Company and the Funds - Distribution Policy” and the relevant Supplement. Where a Share Class is available with a different distribution frequency than that of the Fund, that Share Class will be identified by a suffix indicating a different distribution frequency to the Share Class name. ‘M’ will be used for a monthly distributing Share Class, ‘Q’ for a quarterly distributing Share Class and ‘S’ for a semi-annual distributing Share Class. Where a Share Class is available with a predetermined annual distribution rate, that Share Class will be identified by the suffix ‘F’ followed by the annual distribution rate e.g. 3(%).

Each Share Class, where available, may be offered in the Reference Currency of the relevant Fund, or may be denominated in any other currency, and such currency denomination will be represented as a suffix to the Share Class name. Share Classes may be available in the following currencies: EUR, GBP, USD, CHF, SGD, AUD, HKD, SEK, JPY, CAD, ZAR or any such other currency as the Company may decide to issue.

Each Share Class may be currency hedged or unhedged. Hedged Share Classes will be identified by a “H” suffix to the Class name.

For the Share classes currently being issued for each Fund, please refer to www.mandg.com/classesinissue. Shareholders may also request the information from the Company’s registered office or the local sales office.

Availability of Shares

“Class A” shares are available to all investors who meet the eligibility and minimum investment criteria.

“Class B” shares will be available for subscription only through a distribution channel approved by the Company or an affiliate of the Company.

“Class C” shares are available to distributors, platforms and other forms of intermediary who operate written fee based arrangements with their clients, to companies which the Company deems to be associate companies and to other investors in accordance with the terms of their agreements with the Company.

“Class CI” shares are only available to Institutional Investors as defined in the UCI Law and by guidelines or recommendations issued by the CSSF from time to time.

“Class E” shares are available to certain investors, approved by the Company, who subscribe within a certain period of the launch date of the Fund and who meet the minimum investment criteria. These shares will be offered for a restricted time only and may be at a reduced annual management fee.

“Class F” shares are available to certain investors, approved by the Company, who subscribe within a certain period of the launch date of the Fund and who meet the minimum investment criteria. These shares will be offered for a restricted time only and may be at a reduced annual management fee. Any investors who have acquired access to this Share Class can continue investing in this Share Class even after the initial period has passed.

“Class L” shares are available only to a company which is an associate company or to other collective investment schemes managed by the Company or by an associated company.

“Class Z” shares are only available, with prior agreement of the Company, in certain limited circumstances: (i) for distribution in certain countries; and (ii) through certain distributors and/or to professional investors, where the investor has entered into an agreement with the Company or an affiliate of the Company.

“Class P” shares are only available, with prior agreement of the Company, in certain limited circumstances: (i) for distribution in certain countries; and (ii) through certain distributors.

In certain jurisdictions where the relevant Fund may be registered for public distribution, certain Classes may not be offered for subscription by the appointed sub-distributors. In such cases investors may apply directly to the Registrar and Transfer Agent in Luxembourg in order to apply for Shares in the relevant Class.

Share Class Currency Hedging

If set out in the relevant Supplement, Hedging Transactions may be undertaken specifically to reduce the exposure of holders of hedged Share Classes to movements in the material currencies within a Fund’s portfolio (look through), to movements in the material currencies within a Fund’s portfolio to the extent of their weighting within the benchmark of the Fund (benchmark) or to movements in the relevant hedging reference currency of the Fund (replication), as appropriate. The hedging strategy employed will not completely eliminate the exposure of the hedged Share Classes to currency movements and no assurance can be given that the hedging objective will be achieved. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant hedged Share Class from benefiting if the hedged Share Class Currency falls against the relevant hedging reference currency. Notwithstanding the hedging of the Share Classes described above, Shareholders in those Share Classes may still be exposed to an element of currency exchange rate risk. Please refer to the paragraph entitled “Hedging Risk” for an overview of the risks associated with hedged Share Classes. **Minimum Initial and Subscription Amounts, and Minimum Holding Amounts**

Minimum initial investment amounts, minimum subsequent investment amounts and minimum holding amounts per Share Class are listed below and are in EUR or in equivalent amounts in alternative currencies unless specified differently in the supplement of the Fund:

Share Class	Initial Offer Price	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount	Minimum Holding Amount
A, B	EUR 10.00	EUR 1,000	EUR 75	EUR 1,000
E/F	EUR 10.00	Minimum amounts may differ per Fund. Please refer to the relevant supplement.		
C, CI	EUR 10.00	EUR 500,000	EUR 50,000	EUR 500,000
L, Z	EUR 10.00	Not applicable. Upon agreement with the Management Company.		
P	EUR 10.00	EUR 1,000	N/A	EUR 1,000

Charges

Details of the Annual Management Charge and any applicable Initial Charge or Redemption Charge can be found in the relevant Fund Supplement.

Overview

Please find below the possible combinations of Share class features:

Share Class Type	Distribution Policy	Distribution Frequency	Distribution Type*	Available currencies	Hedging Policy**
A, B, C, CI, E, F, L, Z	Accumulation	N/A	N/A	EUR, GBP, USD, CHF, SGD, AUD, HKD, SEK, JPY, CAD, ZAR, or any such other currency as the Company may decide to use.	Standard (unhedged) Hedged – Replication (H)*** Hedged – Look through Hedged – benchmark
A, B, C, CI, E, F, L, Z	Distribution	Annually distributing Semi-Annually distributing (S) Quarterly distributing (Q) Monthly distributing (M)	Standard distribution Fixed distribution		
P	Distribution	Annually distributing	Fixed distribution	EUR	N/A

*__Please refer to the paragraph entitled "Distribution Policy"__

****Please refer to the paragraph entitled "Share Class Currency Hedging"**

*****The following Funds currency hedged share classes use replication hedging: M&G (Lux) Global Target Return Fund, M&G (Lux) Absolute Return Bond Fund, M&G (Lux) Income Allocation Fund, M&G (Lux) Conservative Allocation Fund, M&G (Lux) Dynamic Allocation Fund, M&G (Lux) Emerging Markets Hard Currency Bond Fund, M&G (Lux) Emerging Markets Income Opportunities Fund. This seeks to reduce the effect of exchange rate fluctuations between the currency of the hedged share classes and the relevant hedging reference currency.**

SUPPLEMENT 1: M&G (LUX) GLOBAL TARGET RETURN FUND

The information contained in this part of the Prospectus in relation to the M&G (Lux) Global Target Return Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund	M&G (Lux) Global Target Return Fund
Launch Date	21 December 2016
Investment Objective	The Fund aims to achieve a total return (the combination of income and capital growth) of at least cash* plus 4% a year, before any charges[5] are taken, in any market conditions and over any three-year period. The Fund aims to achieve this while seeking to minimise the degree to which the value of the Fund fluctuates over time (volatility), while also seeking to limit monthly losses. Managing the Fund's volatility in this way reduces its ability to achieve returns significantly above 3–month EURIBOR plus 4%. There is no guarantee that the Fund will achieve a positive return over three years, or any other period and investors may not get back the original amount that they invested. *As based on 3-month EURIBOR, the rate at which banks borrow money from each other.
Investment Policy	The Fund has a highly flexible investment approach with the freedom to invest in different types of investment assets issued anywhere in the world. The Fund will primarily invest in the following asset classes: bonds, shares, currencies, cash, near cash (which means short term and easily tradable bonds) and deposits. The Fund will mostly gain exposure to these assets by investing through derivatives, but may also invest directly. Derivatives are financial contracts whose value is derived from an underlying asset. The Fund may also invest through other collective investment schemes[6]. In cases where the Investment Manager believes that investment opportunities are limited to a few areas, or where the available investment opportunities would add too much risk to the Fund, the Fund may temporarily hold high levels of cash. The Fund may take short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) in markets, currencies, securities, indices and other groups of securities. The Fund also has the flexibility to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets.

[5] Please refer to section entitled "Fees and Expenses".

[6] When the underlying collective investment scheme is managed by the Management Company, the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

Derivatives can be used to meet the Fund's investment objective and for efficient portfolio management. The derivatives that the Fund may invest in include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers; and

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on shares, bonds bond futures, currencies, or indices.

The bonds that the Fund may invest in include the following:

(a) bonds which are rated above investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(b) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;

(c) convertible bonds (bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company);

(d) a maximum of 60% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's);

(e) bonds from issuers located in emerging markets;

(f) a maximum of 20% of the Fund's Net Asset Value in contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met);

(g) a maximum of 10% of the Fund's Net Asset Value in asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation). The Fund may also invest in other deposits and warrants (allowing the Investment Manager to buy stocks for a fixed price until a certain date) which may be issued anywhere in the world and denominated in any currency; and

(h) total return swaps on equity indices, equity sectors or baskets, bonds baskets and government bonds. Generally this will be to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors and equity indices (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF. The Fund's exposure through total return swaps will generally not exceed 25% of the Net Asset Value of the Fund. The maximum proportion of the Fund's assets which can be subject to total return swaps is 50% of the Net Asset Value of the Fund, on a short term basis. The counterparty to the total return swap will be a credit institution established in a member state of the OECD, a member state of the EEA or in South Africa. The minimum rating should be investment grade.

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The blend of assets held in the Fund is regularly adjusted depending on where the Investment Manager sees the most value and to manage risks in order to limit losses. The Investment Manager will seek to manage risk by investing globally across multiple asset classes, sectors, currencies and countries and by combining diversified and relatively uncorrelated assets (which are assets affected by market conditions in different ways). The Investment Manager will also employ derivatives strategies to help protect or profit from falling markets.

The Fund will typically take investment positions at index, or sector level, or invest in a basket of assets to exploit certain investment themes (for example shares in companies with exposure to a certain country or region) but it may also take positions in individual shares or bonds.

The Investment Manager believes that this approach has the potential to limit monthly losses to less than 3% in normal to stressed times and less than 6% in highly stressed times. The Investment Manager believes the fund has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month

	period) of between 3% and 7%.
Profile of Typical Investor	Typical investors may be retail, professional or institutional who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund. This Fund may be suitable for investors who have an investment time horizon of at least three years.
Calculation of global exposure	As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level" over a specific period) expressed as a percentage of the Net Asset Value of the Fund. The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 6%.
Leverage	The Fund's expected level of leverage under normal market conditions will generally not exceed 385% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently, this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund. The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.
Reference Currency	Euro
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.

Duration The Fund is established for an unlimited duration.

Distribution Policy Both Accumulation Shares and Distribution Shares may be issued.

Distribution Shares may pay dividends to Shareholders, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency.

The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis. Further details can be found in the "Distribution Policy" section of the Prospectus.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, distribution frequency will be determined at Share Class level and dividends will normally be declared and paid within 2 months of the end of the relevant distribution period. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

Initial Offer Period The Initial Offer Period started at 8.00 hours (Luxembourg time) on 21 December 2016 and closed at 13.00 hours (Luxembourg time) on 21 December 2016. Shares are available for issue during the Initial Offer Period at the price set out above under Appendix 2. This period may be extended or shortened upon approval of the Directors.

Risk Warnings Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Derivatives (sophisticated funds)
- Short sales
- Currency & exchange rate risks
- Counterparty risk
- Contingent convertible debts securities

Share Classes available for issue

Share Classes	A	B	C	CI	L	Z
Annual Management Charge (annual rate)	1.25%	1.75%	0.50%	0.50%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please see www.mandg.com/classesinissue for share classes that are currently being issued on this Fund.

SUPPLEMENT 2: M&G (LUX) ABSOLUTE RETURN BOND FUND

The information contained in this part of this Prospectus in relation to the M&G (Lux) Absolute Return Bond Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund	M&G (Lux) Absolute Return Bond Fund
Launch Date	21 December 2016
Investment Objective	The Fund aims to achieve a total return (the combination of income and capital growth) of at least cash* plus 2.5% a year, before any charges[7] are taken, in any market conditions and over any three-year period. The Fund aims to achieve this while seeking to minimise the degree to which the value of the Fund fluctuates over time (volatility), while also seeking to limit monthly losses. Managing the Fund's volatility in this way reduces its ability to achieve returns significantly above 3–month EURIBOR plus 2.5%. There is no guarantee that the Fund will achieve a positive return over three years, or any other period and investors may not get back the original amount that they invested. *As based on 3-month EURIBOR, the rate at which banks borrow money from each other.
Investment Policy	The Fund will invest at least 70% of its Net Asset Value in the following asset classes: bonds, currencies, cash, near cash (which means short term and easily tradable bonds) and deposits. These may be issued anywhere in the world and denominated in any currency. The Fund's exposure to these investments may also be gained by investing in other collective investment schemes[8], or through the use of derivatives, which are financial contracts whose value is derived from an underlying asset. The Fund may take short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) in markets, currencies, securities, and groups of securities. The Fund also has the flexibility to gain exposure to investments exceeding the net asset value of the Fund in order to increase potential returns in both rising and falling markets. Derivatives can be used to meet the Fund's investment objective and for efficient portfolio management. The derivatives that the Fund may invest in include the following: (a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, bonds or interest rates at a specified price immediately or at a future date);

[7] Please refer to section entitled "Fees and Expenses".

[8] When the underlying collective investment scheme is managed by the Management Company, the Management Company will reduce its the Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

(b) exchange traded futures (standard agreements to buy or sell currencies, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, bonds, currency, or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers;

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on bonds, bond futures, currencies, or indices.

The bonds that the Fund may invest in include the following:

(a) bonds which are rated above investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(b) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;

(c) a maximum of 60% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's);

(d) bonds from issuers located in emerging markets;

(e) a maximum of 20% of the Fund's Net Asset Value in contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met);

(f) a maximum of 20% of the Fund's Net Asset Value in asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which will typically be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation); and

(g) total return swaps on single-name bonds, bond indices, baskets of bonds and government bonds. Generally this will be to hedge or add credit market exposure. It may also use total return swaps to gain exposure to single-name bonds or bond indices, baskets of bonds and government bonds. The Fund's exposure through total return swaps will generally not exceed 25% of the Net Asset Value of the Fund. The maximum proportion of the Fund's assets which can be subject to total return swaps is 50% of the Net Asset Value of the Fund, on a short term basis. The counterparty to the total return swap will be a credit institution established in a member state of the OECD, a member state of the EEA or in South Africa. The minimum rating should be investment grade.

Investment Approach

The Investment Manager takes a flexible approach, investing across a broad range of fixed income and currency markets according to where they identify value. A dynamic investment approach is followed, allowing the Investment Manager to change the blend of duration, credit and currency exposures based on their outlook.

The Fund will typically aim to have a high level of diversification in individual credit selection and across investment themes and sources of return. The managers will aim to achieve the performance objective while managing the fund's volatility and limiting losses during difficult market conditions.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 6%.

Leverage

The Fund's expected level of leverage under normal market conditions will generally not exceed 385% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

The expected levels of leverage are indicative and are not fixed limits.

	However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.
Reference Currency	Euro
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.
Duration	The Fund is established for an unlimited duration.
Distribution Policy	Both Accumulation Shares and Distribution Shares may be issued. Distribution Shares may pay dividends to Shareholder, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency. The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis. Further details can be found in the "Distribution Policy" section of the Prospectus. If the Fund issues Distribution Shares, a reinvestment facility may be available. In respect of Distribution Share Classes, distribution frequency will be determined at Share Class level and dividends will normally be declared and paid within 2 months of the end of the relevant distribution period. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).
Initial Offer Period	The Initial Offer Period started at 8.00 hours (Luxembourg time) on 21 December 2016 and closed at 13.00 hours (Luxembourg time) on 21 December 2016. Shares are available for issue during the Initial Offer Period at the price set out above under Appendix 2. This period may be extended or shortened upon approval of the Directors.
Risk Warnings	Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to: • Risk to capital & income will vary • Short sales

- Currency & exchange rate risks
- Derivatives (sophisticated funds)
- Credit risk
- Liquidity risk
- Counterparty risk
- Contingent convertible debts securities

Share Classes available for issue

Share Classes	A	C	CI	L	Z
Annual Management Charge (annual rate)	1.00%	0.40%	0.40%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

SUPPLEMENT 3: M&G (LUX) INCOME ALLOCATION FUND

The information contained in this part of the Prospectus in relation to the M&G (Lux) Income Allocation Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund	M&G (Lux) Income Allocation Fund
Investment Objective	The Fund aims to generate a growing level of income over any three-year period through investment in a range of global assets. The Fund also aims to provide capital growth of 2-4% p.a. over any three-year period. There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not recoup the original amount they invested.
Investment Policy	The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency. The Fund will typically invest in income-generating assets from the following asset classes: fixed income securities, equities, cash and deposits. The Fund can also invest in currencies, near cash (short term and easily tradable bonds) and warrants (allowing the Investment Manager to buy stocks for a fixed price until a certain date). The Investment Manager will normally seek to hold more than 70% of the Fund's Net Asset Value in euro denominated assets or in other currencies hedged back to euro. The Fund's exposure to these assets will mostly be gained directly. The Fund may also invest indirectly through other collective investment schemes[9], and via derivatives. Derivatives are financial contracts whose value is derived from an underlying asset. Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The Fund may take synthetic short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) in markets, currencies, securities, indices and other groups of securities. The Fund will normally invest within the following net allocation ranges: 40-80% in fixed income, 10-50% in equities and 0-20% in other assets. Fixed income instruments that the Fund may invest in include the following: (a) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;

[9] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

(b) bonds from issuers located in emerging markets;

(c) bonds which are rated investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(d) unrated bonds and bonds which are rated sub-investment grade (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's), subject to a maximum of 40% of the Fund's Net Asset Value;

(e) asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 10% of the Fund's Net Asset Value; and

(f) derivatives whose value is derived from bonds, interest rates or credit risk.

Equity instruments that the Fund may invest in include (a) direct company shares and (b) derivatives whose value is derived from company shares.

Other assets, for this purpose, include convertible bonds (bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company) and contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met). Contingent convertible bonds are subject to a maximum of 5% of the Fund's Net Asset Value.

Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management.

The derivative instruments that the Fund can invest in to achieve its objectives include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers;

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on shares, bonds, bond futures, currencies, or indices; and

(f) total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds to gain exposure to equities and bonds. The Fund's exposure through total return swaps will generally not exceed 25% of the Net Asset Value of the Fund. The maximum proportion of the Fund's assets which can be subject to total return swaps is 50% of the Net Asset Value of the Fund, on a short term basis. The counterparty to the total return swap will be a credit institution established in a member state of the OECD, a member state of the EEA or in South Africa. The minimum rating should be investment grade.

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events, to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The Fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the Investment Manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The Fund will typically take investment positions in individual shares or bonds, but it may also take positions at an index or sector level.

The Fund aims to generate a growing level of income by investing in assets that offer a regular income such as dividend-paying company shares, corporate bonds and government bonds.

The Investment Manager believes that this approach has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 4% and 8%, and an estimated gross annual yield of 4%, based on the gross income, before withholding tax, expected to be received from the underlying investments in the Fund, as a percentage of the current Fund share price.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

Calculation of global exposure	As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level" over a specific period) expressed as a percentage of the Net Asset Value of the Fund. The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 11%.
Leverage	The Fund's expected level of leverage under normal market conditions will generally not exceed 44% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently, this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund. The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.
Reference Currency	Euro
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.
Duration	The Fund is established for an unlimited duration.
Distribution Policy	Both Accumulation Shares and Distribution Shares may be issued. Distribution Shares may pay dividends to Shareholders, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency. The Directors will exercise their discretion to determine whether or not

to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a monthly basis. Further details can be found in the "Distribution Policy" section of the Prospectus.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

The Fund may issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the Fund or shareholders.

Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Credit risk
- Interest rate risk
- Currency & exchange rate risks
- Contingent convertible debt securities

Share Classes available for issue

Share Classes	A	B	C	CI	L	Z
Annual Management Charge (annual rate)	1.50%	2.00%	0.65%	0.65%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please see www.mandg.com/classesinissue for share classes that are currently being issued on this Fund.

SUPPLEMENT 4: M&G (LUX) CONSERVATIVE ALLOCATION FUND

The information contained in this part of this Prospectus in relation to the M&G (Lux) Conservative Allocation Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund	M&G (Lux) Conservative Allocation Fund
Investment Objective	The Fund aims to deliver a positive total return (the combination of income and capital growth) of 3-6% p.a. in any three-year period, through investment in a range of global assets. There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not recoup the original amount they invested.
Investment Policy	The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency. The Fund will typically use derivatives to gain exposure to these assets. Derivatives are financial contracts whose value is derived from an underlying asset. The Fund may also use derivatives to take short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets (leverage). The Fund may also invest directly in these assets, or indirectly through other collective investment schemes[10]. The Fund can also invest in currencies, cash, near cash (short term and easily tradable bonds), deposits and warrants (allowing the Investment Manager to buy stocks for a fixed price until a certain date). The Investment Manager will normally seek to hold more than 60% of the Fund's Net Asset Value in euro denominated assets or in other currencies hedged back to euro. The Fund will normally invest within the following net allocation ranges: 0-100% in fixed income, 0-35% in equities and 0-20% in other assets. Fixed income instruments that the Fund may invest in include the following: (a) derivatives whose value is derived from bonds, interest rates or credit risk; (b) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies; (c) bonds from issuers located in emerging markets; (d) bonds which are rated investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or

[10] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

Baa3 or above by Moody's);

(e) unrated bonds and bonds which are rated sub-investment grade (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's), subject to a maximum of 80% of the Fund's Net Asset Value; and

(f) asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 20% of the Fund's Net Asset Value.

Equity instruments that the Fund may invest in include (a) derivatives whose value is derived from company shares and (b) direct company shares.

Other assets, for this purpose, include convertible bonds (bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company) and contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met). Contingent convertible bonds are subject to a maximum of 5% of the Fund's Net Asset Value. Also included in 'other assets', mostly to provide a relatively uncorrelated source of returns to the Fund, are shares in closed-ended real estate investment trusts or investments in companies acting in real estate and/or infrastructure sector.

Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management.

The derivative instruments that the Fund can invest in to achieve its objectives include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers;

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on shares, bonds, bond futures, currencies, or indices; and

(f) total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds to gain exposure to equities and bonds. The Fund's exposure through total return swaps will generally not exceed 25% of the Net Asset Value of the Fund. The maximum proportion of the Fund's assets which can be subject to total return swaps is 50% of the Net Asset Value of the Fund, on a short term basis. The counterparty to the total return swap will be a credit institution established in a member state of the OECD, a member state of the EEA or in South Africa. The minimum rating should be investment grade.

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The Fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the Investment Manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The Fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds.

The Investment Manager believes that this approach has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 3% and 7%.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for total return (the combination of income and capital growth) but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 8%.

Leverage

The Fund's expected level of leverage under normal market conditions will generally not exceed 144% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.

Reference Currency

Euro

Dealing Day

Each Business Day.

Dealing Request Deadline

13.00 hours (Luxembourg time) on each Dealing Day.

Duration

The Fund is established for an unlimited duration.

Distribution Policy

Both Accumulation Shares and Distribution Shares may be issued.

Distribution Shares may pay dividends to Shareholder, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency.

The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis. Further details can be found in the "Distribution Policy" section of the Prospectus.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

The Fund may issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the fund or shareholders.

Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Derivatives (sophisticated funds)
- Short sales
- Credit risk
- Currency & exchange rate risks
- Counterparty Risk
- Contingent convertible debt securities

Share Classes available for issue

Share Classes	**A**	**B**	**C**	**CI**	**L**	**Z**
Annual Management Charge (annual rate)	1.40%	1.90%	0.60%	0.60%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

SUPPLEMENT 5: M&G (LUX) DYNAMIC ALLOCATION FUND

The information contained in this part of this Prospectus in relation to the M&G (Lux) Dynamic Allocation Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund

M&G (Lux) Dynamic Allocation Fund

Investment Objective

The Fund aims to deliver a positive total return (the combination of income and capital growth) of 5-10% p.a. in any three-year period, through investment in a range of global assets.

There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not recoup the original amount they invested.

Investment Policy

The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency. The Fund will typically use derivatives to gain exposure to these assets. Derivatives are financial contracts whose value is derived from an underlying asset. The Fund may also use derivatives to take short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets (leverage).

The Fund may also invest directly in these assets, or indirectly through other collective investment schemes[11]. The Fund can also invest in currencies, cash, near cash (short term and easily tradable bonds), deposits and warrants (allowing the Investment Manager to buy stocks for a fixed price until a certain date). The Investment Manager will normally seek to hold more than 30% of the Fund's Net Asset Value in euro denominated assets (or other currencies hedged back to euro). Additionally, the Investment Manager will seek to hold a minimum of 60% of the Fund's Net Asset Value in a combination of USD, sterling and euro denominated assets (these can be direct or hedged positions).

The Fund will normally invest within the following net allocation ranges: 0-80% in fixed income, 20-60% in equities and 0-20% in 'other' assets.

Fixed income instruments that the fund may invest in include the following:

(a) derivatives whose value is derived from bonds, interest rates or credit risk;

(b) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international

[11] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

bodies;

(c) bonds from issuers located in emerging markets;

(d) bonds which are rated investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(e) unrated bonds and bonds which are rated sub-investment grade (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's), subject to a maximum of 60% of the Fund's Net Asset Value; and

(f) asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 20% of the Fund's Net Asset Value.

Equity instruments that the Fund may invest in include (a) derivatives whose value is derived from company shares and (b) direct company shares.

Other assets, for this purpose, include convertible bonds (bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company) and contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met). Contingent convertible bonds are subject to a maximum of 5% of the Fund's Net Asset Value. Also included in 'other assets', mostly to provide a relatively uncorrelated source of returns to the Fund, are shares in closed-ended real estate investment trusts or investments in companies acting in real estate and/or infrastructure sector.

Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The derivative instruments that the Fund can invest in to achieve its objectives include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers;

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on shares, bonds, bond futures, currencies, or indices; and

(f) total return swaps on equity indices, equity sectors or baskets, bond baskets and government bonds to gain exposure to equities and bonds. The Fund's exposure through total return swaps will generally not exceed 25% of the Net Asset Value of the Fund. The maximum proportion of the Fund's assets which can be subject to total return swaps is 50% of the Net Asset Value of the Fund, on a short term basis. The counterparty to the total return swap will be a credit institution established in a member state of the OECD, a member state of the EEA or in South Africa. The minimum rating should be investment grade.

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The Fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the Investment Manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The Fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds.

The Investment Manager believes that this approach has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 5% and 12%.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for total return (the combination of income and capital growth) but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 14%.

Leverage	The Fund's expected level of leverage under normal market conditions will generally not exceed 162% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund. The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.
Reference Currency	Euro
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.
Duration	The Fund is established for an unlimited duration.
Distribution Policy	Both Accumulation Shares and Distribution Shares may be issued. Distribution Shares may pay dividends to Shareholder, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency. The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis. Further details can be found in the "Distribution Policy" section of the

Prospectus.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

The Fund may issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the Fund or shareholders.

Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Derivatives (sophisticated funds)
- Short sales
- Credit risk
- Currency & exchange rate risks
- Counterparty risk
- Contingent convertible debt securities

Share Classes available for issue

Share Classes	A	B	C	CI	L	Z
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

SUPPLEMENT 6: M&G (LUX) EUROPEAN INFLATION LINKED CORPORATE BOND FUND

The information contained in this part of this Prospectus in relation to the M&G (Lux) European Inflation Linked Corporate Bond Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund M&G (Lux) European Inflation Linked Corporate Bond Fund

Investment Objective The Fund aims to achieve a total return (the combination of income and capital growth) equal to or greater than European inflation over any three-year period.

There is no guarantee that the Fund will achieve its objective over this, or any other, period and investors may not recoup the original amount they invested.

Investment Policy The Fund will invest at least 50% of its Net Asset Value in inflation-linked investment grade (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's) corporate bonds. Exposure may either be gained through direct holdings or synthetically by using combinations of inflation-linked government bonds and derivatives to create similar risk exposures. A minimum of 90% of the Fund's Net Asset Value will be exposed directly to Euro denominated assets or non-Euro exposures which have been hedged back to Euro.

Additionally the Fund may also invest in the following fixed income instruments:

(a) Fixed rate bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies, subject to a maximum of 40% of the Fund's Net Asset Value;

(b) Floating rate notes (securities whose income payments are periodically adjusted depending on the change in a reference interest rate), subject to a maximum of 50% of the Fund's Net Asset Value;

(c) Bonds from issuers located in emerging markets, subject to a maximum of 20% of the Fund's Net Asset Value;

(d) Unrated bonds and bonds which are rated sub-investment grade (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's), subject to a maximum of 30% of the Fund's Net Asset Value; and

(e) Asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 20% of the Fund's Net Asset Value.

Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The derivative instruments that the Fund can invest in include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, bonds, currency, or other asset swaps; and

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers.

The Fund may also invest in cash, currencies, near cash (short term and easily tradable bonds), deposits, other debt instruments, other derivatives, preferred shares, warrants and other funds[12].

Investment Approach

Fund performance is measured in comparison to the Eurostat Eurozone Harmonised Index of Consumer Prices. The Fund will invest in a range of fixed interest securities whose returns behave in a similar way to inflation. However, alternate sources of return may be sought where it is felt that this will aid achievement of the Fund's objective.

The Investment Manager adopts a blended approach which combines top-down and bottom-up considerations. The Fund will typically invest in European securities but may also take global exposures according to where the Investment Manager identifies value.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for a total return equal to or greater than European inflation but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given

[12] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 10%.

Leverage	The Fund's expected level of leverage under normal market conditions will generally not exceed 106% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund. The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.
Reference Currency	Euro
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.
Duration	The Fund is established for an unlimited duration.
Distribution Policy	Both Accumulation Shares and Distribution Shares may be issued. Distribution Shares may pay dividends to Shareholder, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency. The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis. Further details can be found in the "Distribution Policy" section of the

Prospectus. If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Short sales
- Currency & exchange rate risks
- Credit risk
- Derivatives (sophisticated funds)
- Liquidity risk
- Counterparty risk

Share Classes available for issue

Share Classes	A	B	C	CI	L	Z
Annual Management Charge (annual rate)	1.00%	1.50%	0.40%	0.40%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

SUPPLEMENT 7: M&G (LUX) EMERGING MARKETS HARD CURRENCY BOND FUND

The information contained in this part of the Prospectus in relation to the M&G (Lux) Emerging Markets Hard Currency Bond Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund M&G (Lux) Emerging Markets Hard Currency Bond Fund

Investment Objective The Fund aims to provide a higher total return (the combination of income and capital growth) than that of the hard currency emerging market bond market over any three-year period.

Investment Policy The Fund will invest at least 80% of its Net Asset Value in emerging markets debt instruments issued or guaranteed by emerging market governments or their agencies, local authorities, public authorities, quasi-sovereigns and supranational bodies denominated in hard currency[13]. It may also take limited exposure to debt instruments issued by emerging markets companies or instruments denominated in emerging markets currencies. The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets[14].

The Fund's exposure to these assets will typically be gained directly. The Fund may also invest indirectly via derivatives. Derivatives are financial contracts whose value is derived from an underlying asset. Derivatives can be used to meet the Fund's investment objective and for efficient portfolio management.

The derivative instruments that the Fund can invest in include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, bonds, currency, cross-currency or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from

[13] Hard currency refers to currencies of developed countries including, but not limited to US dollar, euro, yen and sterling.
[14] Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

different issuers; and

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on bonds, equities, currencies, or indices.

The Fund may also invest in cash, near cash (short term and easily tradable bonds), deposits, other debt instruments and other collective investment schemes[15].

Investment Approach

The Fund's performance is measured against the J.P. Morgan Emerging Markets Bond Index Global Diversified. The Fund is actively managed and is not benchmark constrained.

The Fund's approach to emerging market investing begins with a top-down analysis of the global economy, which is fine tuned on a daily basis subject to market, economic and political changes.

Within this framework, the Investment Manager's approach involves:

1) Forming a view on the global and overall emerging markets outlook, including prospects for demand from advanced economies, commodity prices, interest rate trends, monetary policy tools and other components of the external environment.
2) Identifying countries with stable or improving underlying credit fundamentals (including stable/improving fiscal positions, stable/improving political situations, comfortable central bank reserve levels, improving current account positions for example).
3) Evaluating the technical conditions of the credit to identify both the upside and the imbalances that could potentially lead to market dislocations.

This disciplined multi-pronged framework provides the basis for our country weighting, marginal allocation to corporates, duration, yield curve and currency and instrument selection decisions, as well as relative value assessments.

The Fund will not take direct or indirect (when the underlying of an eligible asset is a commodity) exposure to commodities.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

[15] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level" over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 15%.

Leverage

The Fund's expected level of leverage under normal market conditions will generally not exceed 30% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently, this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.

Reference Currency

US Dollar

Dealing Day

Each Business Day.

Dealing Request Deadline

13.00 hours (Luxembourg time) on each Dealing Day.

Duration

The Fund is established for an unlimited duration.

Distribution Policy

Both Accumulation Shares and Distribution Shares may be issued.

Distribution Shares may pay dividends to Shareholders, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency.

The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis. Further details can be found in the "Distribution Policy" section of the Prospectus.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

The Fund may issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the fund or shareholders.

Initial Offer Period

The Fund will be launched on 22 May 2017, following a decision by the Directors.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Credit risk
- Liquidity risk
- Counterparty risk
- Emerging markets

Share Classes available for issue

Share Classes	**A**	**B**	**C**	**CI**	**L**	**Z**
Annual Management Charge (annual rate)	1.50%	2.00%	0.60%	0.60%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please see www.mandg.com/classesinissue for share classes that are currently being issued on this Fund.

SUPPLEMENT 8: M&G (LUX) EMERGING MARKETS INCOME OPPORTUNITIES FUND

The information contained in this part of this Prospectus in relation to the M&G (Lux) Emerging Markets Income Opportunities Fund should be read in conjunction with the full text of this Prospectus.

Name of Fund

M&G (Lux) Emerging Markets Income Opportunities Fund

Investment Objective

The Fund aims to deliver an annual income of 4-6%. Subject to this, the Fund aims to deliver capital growth over any five year period.

There is no guarantee that the Fund will meet its investment objective and investors may not recoup the original amount they invested.

Investment Policy

The Fund will invest at least 80% of its Net Asset Value in emerging market assets, including equities, bonds and closed-ended real estate investment trusts. The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets[16]. The Fund may invest across a wide range of geographies, sectors and market capitalisations. The Fund may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.

The Fund will invest at least 25% of its Net Asset Value in the equity securities of companies domiciled in or conducting the major part of their economic activity in emerging market countries. The Fund will invest at least 25% of its Net Asset Value in bonds issued by companies or quasi-government agencies domiciled in or conducting the major part of their economic activity in emerging market countries.

The bonds that the Fund may invest in include the following:

(a) asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 10% of the Fund's Net Asset Value;

(b) bonds which are rated investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(c) a maximum of 75% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's);

(d) bonds issued or guaranteed by companies, local authorities, government agencies or certain public international bodies;

[16] Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

(e) convertible/exchangeable bonds; and

(f) maximum of 20% of the Fund's Net Asset Value in contingent convertible bonds (bonds issued by companies, which convert into shares in the company when certain capital conditions are met).

The Fund's exposure to these assets will typically be gained directly.

The Fund may also invest indirectly via derivatives. Derivatives are financial contracts whose value is derived from an underlying asset. Derivatives can be used to meet the Fund's investment objective and for efficient portfolio management.

The derivative instruments that the Fund can invest in include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, bonds or interest rates at a future date on a Regulated Market);

(c) swaps (agreements which involve exchanging cash flows from investments with another party), including fixed or index-linked interest rate swaps, bonds, currency, cross-currency or other asset swaps;

(d) credit default swaps (agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers; and

(e) options (which offer the right to buy or sell an asset at an agreed price and time) on bonds, equities, currencies, or indices.

The fund may also invest in cash, near cash (short term and easily tradable bonds), deposits, other debt instruments and other collective investment schemes.[17]

Investment Approach

The Fund employs a bottom-up approach to find the best investments across the capital structure to deliver on the Fund's investment objective. The Fund will invest primarily in equities and corporate bonds from issuers whose primary business operations are located in emerging market economies, leveraging the Investment Manager's existing emerging market equity and credit selection capabilities to

[17] When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Annual Management Charge will be reduced and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge.

identify the most attractive investments.

Corporate bonds will typically generate and have historically generated a higher level of income yield than equities. Consequently income is not the Investment Manager's only consideration when selecting equities. Instead the Fund will own equities for their investment characteristics and their expected total return profile rather than purely their dividend yield. The Fund's allocation between bonds and equities is an output of the investment process and portfolio construction, and as such will be the result of the Investment Manager investing in the best ideas, individually and relatively, across the capital spectrum.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (i.e. the maximum potential loss at a given confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 20%.

Leverage

The Fund's expected level of leverage under normal market conditions will generally not exceed 95% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy. This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited

	annual report.
Reference Currency	US Dollar
Dealing Day	Each Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.
Duration	The Fund is established for an unlimited duration.
Distribution Policy	Both Accumulation Shares and Distribution Shares may be issued. Distribution Shares may pay dividends to Shareholder, whereas Accumulation Shares will instead accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders. Payments of dividends will be made in the relevant Share Class Currency. The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis. Further details can be found in the "Distribution Policy" section of the Prospectus. If the Fund issues Distribution Shares, a reinvestment facility may be available. In respect of Distribution Share Classes, dividends will normally be declared and paid on a frequency determined for each Class. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges). The Fund may issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the fund or shareholders.
Initial Offer Period	The Fund will be launched on 22 May 2017, following a decision by the Directors.
Risk Warnings	Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to: • Risk to capital & income will vary • Credit risk • Currency & exchange rate risks • Liquidity risk

- Emerging markets
- Investments in China

Share Classes available for issue

Share Classes	A	B	C	CI	L	Z
Annual Management Charge (annual rate)	1.50%	2.00%	0.60%	0.60%	Upon agreement with the Management Company.	Upon agreement with the Management Company.
Initial Charge	1.25%	N/A	1.25%	1.25%	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A
Current annual rate of local tax (*Taxe d'abonnement*)	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

• Investors should refer to the section of the Prospectus headed "**Important Information**" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

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

• Investors in hedged share classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

SUPPLEMENT 9: M&G (LUX) FIXED MATURITY HIGH YIELD BOND FUND 2022

The information contained in this part of this Prospectus in relation to the M&G (Lux) Fixed Maturity High Yield Bond Fund 2022 should be read in conjunction with the full text of this Prospectus.

Name of Fund

M&G (Lux) Fixed Maturity High Yield Bond Fund 2022

Investment Objective

The Fund will seek to preserve capital over the five year term of the product and aims to provide investors with an annual distribution of between 2% and 3% of their original investment, over that period.

There is no guarantee that the Fund will preserve capital over the five year term or pay a distribution and investors may not recoup the original amount they invested.

Investment Policy

The Fund will invest at least 70% of its Net Asset Value in sub investment grade bonds issued by companies (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's). These may be issued anywhere in the world and denominated in any currency; however currency exposures within the Fund will be fully hedged back to Euro. In view of the term of the Fund, maturity dates of the bonds will be 5 years or less.

The Fund will be established for a period of 5 years after the Initial Offer Period, during which time no further subscriptions will be allowed. Investors who remain invested until maturity will be redeemed at this point without any redemption charge, however investors who redeem prior to maturity will be subject to a regressive redemption charge[18].

The bonds that the Fund may invest in include the following:

(a) up to 100% of the Fund's Net Asset Value in Bonds which are rated sub investment grade by a recognised rating agency (rated lower than BBB- by Standard & Poor's or Fitch or Baa3 or lower than Baa3 by Moody's);

(b) bonds which are rated investment grade by a recognised rating agency (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's);

(c) asset-backed securities (which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation), subject to a maximum of 20% of the Fund's Net Asset Value;

(d) bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international

[18] See table below headed "Redemption Charge schedule".

bodies; and

(e) bonds from issuers located in emerging markets.

The Fund's exposure to these assets will typically be gained directly. The Fund may also invest indirectly via derivatives. Derivatives are financial contracts whose value is derived from an underlying asset. Derivatives can be used to meet the Fund's investment objective and for efficient portfolio management.

The derivative instruments that the Fund can invest in include the following:

(a) spot and forward contracts including forward foreign exchange contracts (bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date);

(b) exchange traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date on a Regulated Market); and

(c) credit default swaps (these contracts are meant to exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments). These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is a basket of bonds from different issuers.

In the period leading up to maturity, and in order to fund the return of capital to investors, the Fund may hold temporarily high levels of cash and near cash (short term and easily tradable bonds). The Fund may also invest in other deposits, equities and warrants (which allow the Investment Manager to buy stocks for a fixed price until a certain date) which may be issued anywhere in the world and denominated in any currency.

Investment Approach

The Investment Manager's approach concentrates on bottom-up analysis of individual bond issues whilst remaining aware of macroeconomic developments. The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the bond issues are expected to be held until maturity. Bond maturity within the portfolio will be matched accordingly.

Proprietary fundamental credit research is at the heart of the investment process, with the Investment Manager able to draw on the expertise of internal credit analyst teams based in London and Chicago. Credit risk is constantly monitored and always well diversified across individual issuers.

Duration

The Fund is established for a duration of five years from the launch date.

Product Structure

The Fund will have an Initial Offer Period of 2 months when investors can make subscriptions. No further subscriptions can be made after the

Initial Offer Period. Shareholders may apply for redemption of all or any of their Shares on the Dealing Day of the Fund. Note that for redemptions prior to maturity a Redemption Charge will apply as detailed below.

Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

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

The Directors have established €50m as an indicative minimum subscription level for the sub-fund, below which the sub-fund will not be launched.

The Directors may determine, in their sole and absolute discretion, taking into account the best interests of Shareholders, that bond yields at the end of the Initial Offer Period have fallen to a level which renders the investment objective unachievable. In such event, the amount paid on application will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

Shares will not be available for issue following the Initial Offer Period.

Investment period

During the investment period the Fund will be run in accordance with the Fund objective investment policy. In the event of significant investor redemptions during the investment period, the Board of Directors reserves the right to close the Fund before the scheduled maturity date subject to the net assets of the Fund falling below €50m.

Maturity

Unless otherwise decided by the Board of Directors in compliance with the Company's documentation and notified to the Shareholders, investor shares will be redeemed at the end of the Fund's term of 5 years following launch date.

Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for income and capital preservation but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of five years and are therefore prepared to remain invested until the Fund's maturity.

Calculation of global exposure

As part of the Fund's risk management process, the global exposure of the Fund is measured and controlled by the absolute VaR approach. "Absolute VaR" is the VaR (*i.e.* the maximum potential loss at a given confidence level over a specific period) expressed as a percentage of the Net Asset Value of the Fund.

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 10%.

Leverage

The Fund's expected level of leverage under normal market conditions will generally not exceed 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach. The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

This ratio reflects the usage of all derivatives within the portfolio of the Fund and is calculated using the sum of notionals of all derivatives as required by the CSSF. This approach does not reflect the Fund's netting or hedging arrangements. For the avoidance of doubt, derivatives used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation. Some of these instruments may actually reduce the risk within the Fund, consequently this ratio does not necessarily indicate increased levels of risk within the Fund. In addition, the ratio is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

The expected levels of leverage are indicative and are not fixed limits. However, the Fund's use of derivatives will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit (as outlined above). Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.

Reference Currency

Euro

Price per Share

The Price per Share will be the Net Asset Value per Share attributable to the Shares issued in respect of this Fund or Class.

This Fund will apply a dilution levy as described in the Section of the Prospectus entitled "Swing Pricing and Dilution Levy".

Dealing Day

The first Dealing Day will be the launch date of the Fund. Shares are not available for subscription after the Initial Offer Period and therefore after launch of the Fund. All Dealing Days after the first Dealing Day will be for redemption requests only, and will be every Friday. Where Friday is not a Business Day, the Dealing Day will be the next Business Day.

Redemptions

Redemption requests will be executed on each Dealing Day. Shareholders will receive a gross redemption amount, based on the

Price per Share, minus a dilution levy and the applicable redemption charge.

Dealing Request Deadline

13.00 hours (Luxembourg time) on each Dealing Day. Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline) but will only be executed weekly on the Dealing Day (which is normally a Friday).

Distribution Policy

Distribution Shares only will be issued.

Distribution Shares may pay dividends to Shareholder. Payments of dividends will be made in the relevant Share Class Currency. A reinvestment facility will not be available. If declared, the Fund will pay dividends on an annual basis. Further details can be found in the "Distribution Policy" section of the Prospectus.

The Fund will issue Distribution Shares with a predetermined annual distribution rate. Distributions may be paid out of investment income, capital gains or capital. The Directors reserve the right to alter the distribution rate in cases where maintaining it may adversely impact the fund or shareholders. If the dividend declared is less than 50 Euros, the Directors reserve the right to reinvest the dividend into the same Class of Shares in the Fund (free of any initial charges).

Switches

Switches from other Funds into this Fund will not be allowed.

Fees and Expenses

Unlike what is described in the section Fees and Expenses, the Management Company will take a single charge from each Share Class of the Fund to cover its duties, as well as operating, administration and oversight costs associated with the Fund. Such charge will be calculated and taken into account daily ("Single Charge"). The Single Charge will be 1.07% and will include: (1) Depositary's Fees, (2) Custody Charges and Custody Transaction Charges, (3) Paying Agents' Fees, (4) Administration Fees, (5) Directors' Fees, (6) Service Provider Fees, and (7) Other Expenses. It includes the *taxe d'abonnement* but it excludes portfolio transaction costs, and any initial charge or redemption charge. Portfolio transaction costs include dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on the Fund's transactions. The Fund may bear any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund that would not be considered as ordinary expenses.

Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to capital & income will vary
- Derivatives (sophisticated funds)
- Credit risk
- Counterparty risk

- Interest rate risk
- Redemption charge risk

Share Classes available for issue

Share Classes	A	P
Single Charge (annual rate)	1.07%	1.07%
Initial Charge	0.00%	0.00%
Redemption Charge	See the schedule below	See the schedule below

• Investors should refer to the section of the Prospectus headed “**Important Information**” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Initial Subscription amount and the Minimum Additional Subscription amount in their sole discretion.

Please refer to www.mandg.com/classesinissue for share classes that are being issued on this Fund.

Redemption Charge schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5
Redemption Charge	4.5%	3.5%	2.5%	1.5%	0.5%

Switching fee

Shareholders who request a switch of some or all of their Shares prior to the Fund’s maturity may be subject to the above stated redemption charges and dilution levy as further described above in paragraph “Redemptions” as well as the initial charge (if any) of the receiving New Class. Please refer to the section of the Prospectus headed “Switching between funds of classes.”