PRULink Fund Information Booklet

October 2025

PRULink StrategicInvest Income Fund (Distribution)

IMPORTANT INFORMATION

Capitalised terms used below, unless otherwise defined, shall have the same meanings ascribed to them under Glossary of Terms of this Fund Information Booklet.

This Fund Information Booklet is for information only and is not a contract of assurance. Investors should refer to the Policy Document for specific policy details applicable to their PRULink investment-linked policies. **Investors should note that this Fund Information Booklet must be read together with the accompanying Product Summary and Product Highlights Sheet as one document.**

This Fund Information Booklet is published for informational purposes only, without regard to the specific investment objectives, financial situation and particular needs of any specific person and should not be construed as an advice or recommendation to invest in the Fund. Investors may wish to seek advice from their Prudential Financial Consultants before making a commitment to purchase the product. In the event an investor chooses not to seek advice from a Prudential Financial Consultant, he/she should consider whether the product in question is suitable for him/her. Investors are advised to read the Fund Information Booklet, the accompanying Product Summary and the Product Highlights Sheet, before deciding whether to subscribe for units in this Fund.

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of units in the Fund and/or Underlying Fund. Each investor will assume and be solely responsible for any and all tax of any jurisdiction or governmental or regulatory authority, including without limitation any state or local taxes or other like assessment or charges that may be applicable to any payment to him/her in respect of the Fund and/or Underlying Fund. Neither the Fund nor Underlying Fund will pay any additional amounts to investors to reimburse them for any tax, assessment or charge required to be withheld or deducted from any payments made to them.

The Fund and/or Underlying Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended. The units of the Fund and/or Underlying Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or under the securities laws of any state of the United States of America and such units may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The units of the Fund and/or Underlying Fund may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act. Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to Investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or unitd investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or unitd investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

“United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

Prudential Singapore is an indirect subsidiary of Prudential plc of the United Kingdom. Prudential Singapore and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

This Fund Information Booklet does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such an offer or solicitation.

Investors should also consider the risks of investing in the Fund which are summarised in Section 5 of this Fund Information Booklet.

This Fund Information Booklet does not represent a contract.

PRULink StrategicInvest Income Fund (Distribution)

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PRULink StrategicInvest Income Fund (Distribution)

1. The PRULink Fund

The following fund is currently being offered:

a) PRULink StrategicInvest Income Fund (Distribution)

The above fund is to be referred to in this Fund Information Booklet as the "**Fund**".

The Underlying Funds are collectively referred to in this Fund Information Booklet as the **"Underlying Funds"** and each an **"Underlying Fund"**.

2. The Product Provider

Prudential Assurance Company Singapore (Pte) Limited ("**Prudential Singapore**") [Company Registration No. 199002477Z], 30 Cecil Street, #30-01, Prudential Tower, Singapore 049712 Tel: 1800-333 0 333 is the product provider in respect of the Funds ("**Product Provider**" includes the correlative meanings "**we**", "**us**" and "**our**").

3. The Manager, the Management of the Trust/Management Companies, the Investment Managers and the Investment Advisers

3.1 The Manager

Prudential Assurance Company Singapore (Pte) Limited (the "**Manage**r") whose registered office is 30 Cecil Street, #30-01, Prudential Tower, Singapore 049712. The Manager is regulated by the Monetary Authority of Singapore.

The Manager is one of the top life insurance companies in Singapore, serving the financial and protection needs of the country's citizens for 90 years. The company has an AA- Financial Strength Rating from leading credit rating agency Standard & Poor's, with S$57.7 billion funds under management as at 31 December 2024.

Source: Prudential Assurance Company Singapore (Pte) Limited as at 31 December 2024

3.2 The Management of the Trust/Management Companies

3.2.1 Allianz Global Investors GmbH

The Underlying Funds are established as a sub-fund of the Allianz Global Investors Fund (the "Umbrella Fund"). The Umbrella Fund is incorporated under the laws of the Grand Duchy of Luxembourg and is constituted outside Singapore.

Allianz Global Investors GmbH (the "Management Company") has been appointed to act as the management company for the Underlying Fund. The Management Company is incorporated under the laws of the Grand Duchy of Luxembourg and is constituted outside Singapore. The Management Company is responsible, subject to the supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Umbrella Fund.

The Management Company has been managing collective investment schemes and discretionary funds since 1956. The Management Company is authorized and regulated by the Bundesanstalt fur Finanzdienstleistungsaufsicht (BaFin).

The Management Company is a diversified active investment manager with total assets under management over EUR 569 billion as of 31 December 2024. Its teams can be found in 20 offices worldwide. With around 600 investment professionals and an integrated investment platform, it covers all major business centers and growth markets. Allianz Global Investors' global capabilities are delivered through local teams to ensure best-in-class service.

Source: Allianz Global Investors GmbH as at 31 December 2024

Underlying Fund(s)	Allianz Income and Growth – Class AMi3 Dis (H2-SGD) Allianz Income and Growth – Class AM (USD)
Management Company of the Underlying Fund(s)	Allianz Global Investors GmbH

3.2.2 Amundi Luxembourg S.A.

The Management Company, Amundi Luxembourg S.A. is the management company of the Amundi Funds. The Management Company is incorporated in Luxembourg in the form of a société anonyme. It is subject to Chapter 15 of the 2010 Law, and the Luxembourg law of 12 July 2013 on alternative investment fund managers and to supervision of the Commission de Surveillance du Secteur Financier ("CSSF"). The Management Company has been managing collective investment schemes since 1996.

The Management Company is responsible for investment management services, administrative services, marketing services and distribution services. It has the option of delegating to third parties some or all of its responsibilities. For example, so long as it retains control and supervision, the Management Company can appoint one or more investment managers to handle the day-to-day management of the Underlying Funds' (domiciled in Luxembourg) assets, or one or more advisors to provide investment information, recommendations and research concerning prospective and existing investments.

Source: Amundi Luxembourg S.A. as at 27 December 2024

Underlying Fund(s)	Amundi Funds – Income Opportunities – SGD Hedged MTD 3 Amundi Funds – Income Opportunities – USD MTD 3
Management Company of the Underlying Fund(s)	Amundi Luxembourg S.A.

3.2.3 BlackRock Asset Management North Asia Limited

BlackRock Premier Funds (the "Trust") is an umbrella unit trust established under the laws of Hong Kong, by a trust deed dated 19 July 2013 between BlackRock Asset Management North Asia Limited (the "Management of the Trust") as the management of the trust and Cititrust Limited (the "Trustee") as trustee, as amended and restated pursuant to an amended and restated trust deed dated 16 December 2019, and may be amended and/or supplemented from time to time.

BlackRock Premier Funds Systematic Global Equity High Income Fund ("Underlying Fund") is a sub-fund of the Trust.

BlackRock Asset Management North Asia Limited is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services globally for institutional, retail and private clients. BlackRock Asset Management North Asia Limited was incorporated in Hong Kong with limited liability on 10

August 1998 and is licensed by the Securities and Futures Commission (“SFC”) to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”).

BlackRock Asset Management North Asia Limited is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of the Underlying Funds.

Source: BlackRock Asset Management North Asia Limited as at 30 April 2025

Underlying Fund(s)	BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 SGD Hedged BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 USD
Management of the Trust	BlackRock Asset Management North Asia Limited

3.3 The Investment Managers

3.3.1 Voya Investment Management Co. LLC

Voya Investment Management Co. LLC, (“Voya IM”) is a limited liability company domiciled in USA with its principal place of business at 230 Park Avenue, New York, NY 10169, United States.

Voya IM is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, and is authorised to provide investment management services, regulated by the United States Securities and Exchange Commission.

Voya IM has been managing collective investment schemes and discretionary funds since 1972.

Past performance of the Investment Manager is not necessarily indicative of its future performance.

Source: Allianz Global Investors GmbH as at 31 December 2024

3.3.2 Victory Capital Management Inc.

Victor Capital Management Inc. was organised in the United States in 1894 through predecessor firms and began managing discretionary funds in 1912. It is domiciled in the U.S. and has been regulated by the U.S. Securities and Exchange Commission since 22 February 1972.

Source: Amundi Luxembourg S.A. as at 27 December 2024

3.4 The Investment Adviser of the Fund

Prudential Investment Management Private Limited ("PIM"), a member of the Prudential Group, was incorporated on 02 March 2023 and is based in Singapore and offers non-discretionary investment management advisory services to Prudential Assurance Singapore (Pte) Limited.

Source: Prudential Investment Management Private Limited as at 10 July 2025

3.5 The Investment Advisers of the Trust

The Management of the Trust may from time to time delegate all or part of its investment management functions of the Underlying Funds to BlackRock Investment Management (Australia) Limited and/or BlackRock (Singapore) Limited. The Management of the Trust shall continue to have ongoing supervision and regular monitoring of the competence of BlackRock Investment Management (Australia) Limited and BlackRock (Singapore) Limited to ensure that its accountability to investors is not diminished. Although the investment management functions of the Management of the Trust may be delegated to BlackRock Investment Management (Australia) Limited and/or BlackRock (Singapore) Limited, its responsibilities and obligations may not be delegated.

BlackRock Investment Management (Australia) Limited is licensed by the Australian Securities and Investments Commission as an Australian Financial Services Licence holder.

BlackRock Investment Management (Australia) Limited is an indirect operating subsidiary of BlackRock, Inc., the ultimate holding company of the BlackRock Group. BlackRock Investment Management (Australia) Limited forms part of the BlackRock Group.

BlackRock (Singapore) Limited was incorporated in Singapore with limited liability on 2 December 2000 with its registered office at #18-01, Twenty Anson, 20 Anson Road, Singapore 079912. BlackRock (Singapore) Limited holds a capital markets services licence in respect of fund manage-ment and dealing in securities, trading in futures contracts and leveraged foreign exchange trading under the Securities and Futures Act, Chapter 289 of Singapore.

BlackRock (Singapore) Limited was established to provide fund management and advisory services for clients in the South East Asia region and has managed collective investment schemes and/or discretionary funds since 2001.

BlackRock (Singapore) Limited is an indirect operating subsidiary of BlackRock, Inc., the ultimate holding company of the BlackRock Group.

All fees paid to the Investment Adviser(s) (if any) will be borne by the Manager and paid out of the management fee.

Underlying Fund(s)	BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 SGD Hedged BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 USD
Investment Advisers of the Trust	BlackRock Investment Management (Australia) Limited BlackRock (Singapore) Limited

Source: BlackRock Asset Management North Asia Limited as at 30 April 2025

Past performance of the Manager, the Management of the Trust/Management Companies, the Investment Managers and the Investment Advisers is not necessarily indicative of its future performance.

4. The Auditor

The auditor of the accounts for the Fund is Ernst & Young LLP (the "**Auditor**") whose registered office is at One Raffles Quay North Tower, Level 18 Singapore 048583.

5. Risks

The risks set out in this section are in relation to the Fund and the Underlying Funds. Given that the Fund feeds entirely into the Underlying Funds, it is acknowledged that the risks inherent in the Underlying Funds will also impact the Fund. As such investors should carefully consider the risks set out in this section before investing into the Fund.

5.1 General Risks

Investors should consider and satisfy themselves as to the risks of investing in the Fund. Investment in the Fund is meant to produce returns over the long-term. It may not be possible to obtain short-term gains from such investment. Investors should be aware that the price of units in the Fund, and the income from them, may fall or rise and investors may not get back their original investment. Generally, some of the risk factors that should be considered by the investors of the Fund are liquidity and repatriation risks. The default in payment by an issuer of any instrument held by the Underlying Funds may affect the Underlying Funds' ability to meet their payment obligations to the Fund.

To the extent that the Underlying Fund invests directly or indirectly in securities or other assets, it is exposed to various general trends and tendencies in the economic and political situation as well as securities markets and investment sentiment, which are partially attributable to irrational factors. Such factors could lead to substantial and longer-lasting drops in securities prices affecting the entire market and the value of the Underlying Fund's investments may be negatively affected.

All investments involve risks and there can be no guarantee against loss resulting from an investment in any units of the Fund, nor can there be any assurance that the Underlying Funds' investment objective will be attained in respect of its overall performance. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objective disclosed.

Investment in an Underlying Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Past performance should not be seen as an indication of how a fund will perform in the future and cannot in any way provide a guarantee of future returns.

Allianz Income and Growth

Currency Risk

If the Underlying Fund directly or indirectly (via derivatives) holds assets denominated in currencies other than the reference or base currency or if the Underlying Fund are designated in a currency other than the reference or base currency (each a “foreign currency”), it is exposed to a currency risk that if foreign currency positions have not been hedged or if there is any change in the relevant exchange control regulations, the NAV of the Underlying Fund or that the Underlying Fund may be affected unfavorably. Any devaluation of the foreign currency against the reference or base currency would cause the value of the assets denominated in the foreign currency to fall, and as a result may have an adverse impact on the Underlying Fund and/or the investors.

Subject to the specific investment restrictions of the Underlying Fund, the Management Company may use financial derivative instruments to hedge the foreign currency exposure and currency hedging transactions may be entered into in relation to one or more of Underlying Fund. Hedging can be used in particular to reflect the different currency-hedged share classes of the Underlying Fund.

Asset backed securities (“ABS”) and Mortgage backed securities (“MBS”) Risk

The income, performance and/or capital repayment amounts of ABS and MBS are linked to the income, performance, liquidity and credit rating of the underlying or covering pool of reference assets (e.g. receivables, securities and/or credit derivatives), as well as the individual assets included in the pool or their issuers. If the performance of the assets in the pool is unfavourable for investors, depending on the form of the ABS or MBS, those investors may suffer losses up to and including total loss of invested capital. ABS and MBS may be issued with or without the use of a special-purpose vehicle (“SPV”). Such SPVs normally do not engage in any other business aside from issuing ABS or MBS. The pool underlying the ABS or MBS, which also often consists of non-fungible assets, normally represents the only assets of the SPV or the only assets from which the ABS and MBS are to be serviced. If ABS or MBS are issued without the use of a SPV, there is the risk that the liability of the issuer will be limited to the assets included in the pool. The principal risks in respect of the assets included in the pool are concentration risk, liquidity risk, interest-rate risk, creditworthiness risk, company-specific risk, general market risk, risk of default and counterparty risk as well as the general risks of investing in bonds and derivatives, in particular interest-rate risk, creditworthiness risk, company-specific risk, general market risk, risk of default, counterparty risk and liquidity risk. As a result, ABS and MBS may be highly illiquid and prone to substantial price volatility. These instruments may therefore be subject to greater credit, liquidity and interest-rate risks compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities, the Net Asset Value of the relevant Underlying Fund or investors.

Active Currency Positions Risk

The Underlying Fund may implement active currency derivative positions that may not be correlated with the underlying securities positions held by the Underlying Fund. Therefore, such Underlying Fund may suffer a significant or total loss even if there is no loss of the value of the underlying securities positions (eg. equities, debt securities) held by the Underlying Fund.

Asset Allocation Risk

The performance of the Underlying Fund is partially dependent on the success of the asset allocation strategy employed by that Underlying Fund. There is no assurance that the strategy employed by the Underlying Fund will be successful and therefore the investment objective of the Underlying Fund may not be achieved. The investments of the Underlying Fund may be periodically rebalanced and therefore that Underlying Fund may incur greater transaction costs than the Underlying Fund with static allocation strategy.

Capital Risk

There is a risk that capital of the Underlying Fund or the capital that can be allocated to a Share class of the Underlying Fund will decrease. Excessive redemptions of the Underlying Fund's units or distributions exceeding realised capital gains and other income of returns on investments could have the same effect. A reduction in the capital of the Underlying Fund or the capital that can be allocated to a Share class of the Underlying Fund could make the management of the Umbrella Fund or the Underlying Fund unprofitable, which could lead to the liquidation of the Umbrella Fund or the Underlying Fund and to investor losses.

Certificate Investments Risk

A certificate vests the right, subject to the terms and conditions of the certificate, for the certificate holder to demand payment of a specific amount of money or delivery of certain assets on the settlement date. Whether the certificate holder has a corresponding claim on performance and, if so, to what extent, depends on certain criteria, such as the performance of the underlying asset during the term of the certificate or its price on certain days. As an investment vehicle, certificates are subject to the following risks in relation to the issuer of the certificate: creditworthiness risk, company-specific risk, settlement default risk and counterparty risk. Other risks that should be emphasised are general market risk, liquidity risk and, if applicable, currency risk. Certificates are not hedged through other assets or through third-party guarantees. This applies likewise to any permissible position held through another instrument based on the law of obligations.

Changes in Underlying Conditions Risk

Over time, the underlying conditions (e.g. economic, legal or tax) within which an investment is made may change. This could have a negative effect on the investment and on the treatment of the investment by the investors.

Changes to the Umbrella Fund and/or an Underlying Fund Risk

The Articles, investment policy and other basic aspects of an Underlying Fund may be changed whenever permitted. In particular, a change to the investment policy within the permitted range may change the risk profile associated with such Underlying Fund. Such changes may have a negative impact on the performance of the Underlying Fund.

Closed-End Fund Risk

When investing in closed-end funds, the income, performance and/or capital repayment will depend on the income, performance and credit rating of the underlying investments of the closed-end funds. If the performance of the assets of the closed-end-funds are unfavourable for its investors, depending on the form of the closed-end-funds, investors of the relevant Sub-Fund can suffer partial, or even total loss.

Redemptions of investments in closed-end funds may not be possible. Since such funds commonly have a fixed term which makes continuous liquidation/termination of such investments in closed-end funds prior to maturity impossible. In the case of a closed-end fund which maturity is not already determined, the liquidity risk may be even higher. Eventually, investments in closed-end funds might be sold on a secondary market, if any, with the risk of significant bid/offer spreads. Investments in closed-end funds may also be fully or partially repaid prior to maturity, which could lead to a less attractive total investment in the respective close-end fund as well as to a less attractive reinvestment. In addition, the corporate governance mechanisms, the transferability as well as the possibility to rate, to receive adequate information about and to evaluate investments in closed-end-funds may deteriorate before maturity. The principal risks for investments in closed-end funds are general market risk, concentration risk, liquidity risk, the risk of interest rate changes, creditworthiness risk, company-specific risk, settlement default risk and counterparty risk. Specific risks vary depending on the particular type of closed-end fund.

When investing in closed-end funds, costs are regularly incurred both at the level of the funds themselves particularly in respect of service provider fees, as well as at the level of the portfolio making the investment. These may result in increased charges to the investors in the portfolio making the investment in the closed-end fund.

Company-Specific Risk

The value of an Underlying Fund's assets (in particular of securities and money-market instruments directly or indirectly held by such Underlying Fund) may be affected by company-specific factors (e.g., the issuer's business situation). If a company-specific factor deteriorates, the price of the respective asset may drop significantly and for an extended period of time, possibly without regard to an otherwise generally positive market trend. This may have an adverse impact on the Underlying Fund and/or the investor.

Concentration Risk

If an Underlying Fund focuses its investments on certain markets, types of investments, particular countries, regions, or industries, this may reduce risk diversifications. Consequently, such Underlying Fund may be particularly dependent on the development of these investments, markets or related markets, individual or interdependent countries or regions, industries or industries that influence each other or companies of such markets, countries, regions or industries. As such, the Underlying Fund is likely to be more volatile than a fund that has a more diversified investment strategy. It may be more susceptible to fluctuations in value resulting from a limited number of holdings or the impact of adverse conditions on a particular investment or market. This may have an adverse impact on the performance of the Underlying Fund and consequently adversely affect an investor's investment in the Underlying Fund.

Contingent Convertible Bonds Investment Risk

Investing in contingent convertible bonds ("CoCos") is associated with the following specific risks as issued in the statement ESMA/2014/944 ("Potential Risks Associated with Investing in Contingent Convertible Instruments") issued by the ESMA ("European Securities and Markets Authority") which include, but are not limited to (i) Trigger level risk: trigger levels differ; they determine exposure to conversion risk depending on the distance between the price of the equity security and the trigger level;

(ii) Coupon cancellation risk: coupon payments may be cancelled by the issuer at any point and for any length of time;

(iii) Capital structure inversion risk: contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity investors do not; (iv) Call extension risk: CoCos are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority;

(v) Unknown risk: the structure of the instruments is innovative yet untested;

(vi) Yield/valuation risk: investors are drawn to CoCos as a result of their frequently attractive yield, which may,however, also represent a premium to their price in light of the complexity of how they are structured.

Convertible Bonds Investments Risk

Investing in convertible bonds are normally associated with increased creditworthiness risk, risk of default, risk of interest rate changes, prepayment risk, general market risk, and liquidity risk (for example, the asset cannot be sold or can only be sold at a significant discount to the purchase price), all of which may adversely impact the Net Asset Value of the relevant Underlying Fund.

The value of convertible bonds may be affected by the price movement of the underlying securities (i.e., equities), among other things.

Convertible bonds may also have call provisions and other features which may give rise to the risk of a call. All these factors may adversely impact the Net Asset Value of the relevant Underlying Fund.

Counterparty Risk

Transactions not handled through a stock exchange or a Regulated Market (e.g., Over-The-Counter ("OTC") trades) are exposed to the risk that a counterparty may default or not completely fulfil its obligations in addition to the general risk of settlement default. This is particularly true of OTC financial derivative instruments and other transactions based on techniques and instruments. Default by a counterparty may result in losses for an Underlying Fund. However, such risk can be significantly reduced, especially with respect to OTC derivative transactions, by receipt of collateral from the counterparty in accordance with the Umbrella Fund's collateral management policy as described in the Underlying Fund's Prospectus.

Country and Region Risk

If an Underlying Fund focuses its investments on particular countries or regions, this may increase the concentration risk. Consequently, such Underlying Fund is particularly susceptible to the adverse development and risks of individual or interdependent countries and regions, or of companies based and/or operating in those countries or regions. Any adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event or development in such countries, regions or companies may adversely impact the performance of the Underlying Fund and/or the value of Units held by investors. Economic or political instability in certain countries in which an Underlying Fund is invested may lead to a situation in which such Underlying Fund does not receive part, or all of the monies owed to it in spite of the solvency of the issuer of the relevant assets. Currency or transfer restrictions or other legal changes may have a significant effect. In addition, The Underlying Fund which focus on certain countries or regions, have a limited investment universe which results in limited risk diversification compared to broadly investing funds. The smaller the respective country or region is the more limited the investment universe and the more limited the risk diversification of the respective Underlying Fund might be. A limited risk diversification can increase the impact of the development of individual securities acquired for the respective Underlying Fund.

Credit Rating Risk

Credit ratings of Investment Grade debt securities assigned by rating agencies (e.g., Fitch, Moody's and/or Standard & Poor's) are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Creditworthiness and Downgrading Risk

The creditworthiness (ability to pay) of the issuer of an asset (in particular, of a security or money-market instrument directly or indirectly held by the Underlying Fund) may fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations. Further, there is a risk that the credit rating of certain debt securities, or the issuers of debt securities, may be downgraded due to adverse market conditions. The Underlying Fund may or may not be able to dispose of the Debt Securities that are being downgraded. This may lead to a fall in the NAV of the Underlying Fund and the performance of the Underlying Fund will be adversely affected.

Custodial Risk

Sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where an Underlying Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of such Underlying Fund may be exposed to custodial risk. An Underlying Fund may be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the Depositary or sub-custodian. In such circumstances, an Underlying Fund may take a longer time or may even be unable to recover some of its assets (in extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title), which may lead to significant losses for the Underlying Fund and consequently adversely affect an investor's investment in the Underlying Fund. The Custodial Risk may apply to assets as well as to collateral.

Dilution and Swing Pricing Risk

The actual cost of purchasing or selling the underlying assets of an Underlying Fund may be different from the booking value of these assets in the Underlying Fund's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying nand selling prices of the underlying assets. These dilution costs can have an adverse effect on the overall value of an Underlying Fund and thus the NAV per Unit may be adjusted in order to avoid disadvantaging the value of investments for existing Investors. The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying assets and the valuation method adopted to calculate the value of such underlying assets of the Underlying Fund.

Distribution out of Capital Risk

The Umbrella Fund may launch share classes of the Underlying Fund whose distribution policy deviates from the regular distribution policy and which may provide for distributions out of capital in accordance with Article 31 of the Law. The payment of distributions out of capital represents a return or withdrawal of part of the amount which the investors originally invested and/or capital gains attributable to the original investment. Investors should be aware that any distributions involving payment of distributions out of the Underlying Fund's capital may result in an immediate decrease in the Net Asset Value per unit and may reduce the capital available for such Underlying Fund for future investment and capital growth. As a result, such investors' investment in the Underlying Fund will be adversely affected. The distribution amount and NAV of any hedged share classes of the Underlying Fund may be adversely affected by differences in the interest rates of the reference currency of the hedged share classes of the Underlying Fund and the base currency of the Underlying Fund, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes of the Underlying Fund.

Early Liquidation Risk

As may be determined by the Board of the Management Company, the Underlying Fund may be liquidated under certain circumstances as set out under "Liquidation and Merger" sector of the Underlying Fund's Prospectus. In the event of the Underlying Fund's liquidation, the Underlying Fund would have to distribute to investors their pro rata interest in the assets of the Underlying Fund. It is possible that at the time of a sale or distribution, certain assets held by the relevant Underlying Fund may be worth less than their initial cost, resulting in a loss to investors.

European Country Risk

In light of the fiscal conditions and concerns regarding the sovereign debt of certain European countries, investments of the Underlying Fund in Europe may be subject to a number of risks arising from a potential crisis in Europe. The economic and financial difficulties in Europe may continue to get worse or spread within and outside Europe, and may lead to one or several countries exiting the Eurozone and/or exiting the European Union ("EU") or default of a sovereign within the Eurozone and/or within the EU, potentially resulting in the breakup of the EU, the Eurozone and the Euro. While the governments of many European countries (including the EU Member States), the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions and concerns, these measures may not have their desired effect, and the future stability and growth of Europe is therefore uncertain. The impact of such events on the Underlying Fund which are denominated in Euro or which invest in instruments predominantly tied to Europe may be significant and the NAV of such Underlying Fund may be adversely affected by the increased risks (such as increased volatility, liquidity and currency risks associated with investments in Europe).

Emerging Markets Risk

Investments in Emerging Markets are subject to greater liquidity risk, currency risk and general market risk. Increased risks may arise in connection with the settlement of securities transactions in Emerging Markets, especially as it may not be possible to deliver securities directly when payment is made. In addition, the legal, taxation and regulatory environment, as well as the accounting, auditing and reporting standards in Emerging Markets may deviate substantially to the detriment of the investors from the levels and standards that are considered standard international practice. Increased custodial risk in Emerging Markets may also arise, which may, in particular, result from differing disposal methods for acquired assets. Such increased risks may have an adverse impact on the Underlying Fund and/or the investors.

Index-based Investment Risk

With respect to index-based investments, the composition of an index and the weighting of individual components may change during the time a position is held. Further, index levels are neither current nor based on current data. These factors can have negative effects on such investments.

Inflation Risk

Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of income made on an investment in an Underlying Fund as well as the intrinsic value of the investment. This could have a negative effect on an investor’s investment. Different currencies are subject to different levels of inflation risk.

Instruments with Loss-absorption Features Risk

An Underlying Fund may invest in instruments with loss-absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions specifying that the instrument is subject to being partly or wholly written off, written down, or converted to ordinary units of the issuer upon the occurrence of a pre-defined trigger event. Trigger events are likely to be outside of the issuer’s control and commonly include a reduction in the issuer’s capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer’s ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of an Underlying Fund.

Contingent convertible bonds are typical instruments with loss-absorption features, please also refer to the risk factor “Contingent Convertible Bonds Investment Risk”.

Interest Rate Risks

To the extent that an Underlying Fund invests directly or indirectly in debt securities, it is exposed to interest-rate risk. If market interest rates rise, the value of the interest-bearing assets held by the Underlying Fund may decline substantially and negatively affect the performance of such Underlying Fund. This applies to an even greater degree if such Underlying Fund also holds debt securities with a longer time to maturity and a lower nominal interest rate.

Issuer Default Risk

The issuer of a security directly or indirectly held by an Underlying Fund or the debtor of a claim belonging to an Underlying Fund may become insolvent causing its inability to fulfil his payment obligations in a full and timely manner. Risks of losses arising from the issuer’s default and causing such issued assets (see Defaulted Securities / Distressed Debt Risk) to become economically worthless.

Key Personnel Risk

The Underlying Fund that achieve very positive results in a certain period of time may owe this success to the aptitude of the traders and the correct decisions of their management. If staffing at a fund changes, new decision makers may have less success in managing the Underlying Fund’s assets, which may have a negative impact on the performance of such Underlying Fund.

Legal Risk

Legal risks can bear the risk of loss because of the unexpected application of a law or regulation or because a contract cannot be enforced. In case of collateralized transactions, there is the risk that the relevant insolvency law may impose a stay that prevents the collateral taker from liquidating the collateral, even if the collateral arrangement has been set up correctly.

Liquidity Risk

Investments in securities in certain developing markets may be subject to higher volatility and lower liquidity compared to more developed markets. Even relatively small orders of illiquid securities can lead to significant price changes. If an asset is illiquid, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price, or, conversely, its purchase price may increase significantly. Such price changes may adversely impact the NAV of an Underlying Fund.

Local Tax Risk

As a result of local regulations, an Underlying Fund's assets may, from time to time, be subject to taxes, fees, charges, and other retentions. This applies in particular to revenues or gains from the sale, redemption or restructuring of the Underlying Fund's assets, cash flow-free restructuring of such assets, and/or changes related to settlement and dividends, interest and other income received by the Underlying Fund.

Certain taxes or charges (e.g., all charges collected under Foreign Account Tax Compliance Act ("FATCA"), may be collected in the form of withholding tax or a retention when paying out or forwarding payments. Certain taxes or withholdable payments collected under FATCA may be collected in the form of a withholding tax on the Underlying Fund or in form of a withholding tax on "passthrough payments" on the individual investor (to the extent provided in future regulations which will be subject to further changes, but in no event before 1 January 2017). Although the Umbrella Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Umbrella Fund will be able to satisfy these obligations. Withholding on passthrough payments by the Umbrella Fund will be permitted under applicable laws and regulations and in which case the Umbrella Fund will act in good faith and on reasonable grounds. If the Umbrella Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the units held by Investors may suffer material losses.

Negative Interest on Cash Accounts Risk

The Umbrella Fund invests the liquid asset of the Underlying Fund at the Depositary or other banks for account of the Underlying Fund. Depending on the market development, in particular the development of the interest policy of the European Central Bank, short-, medium- and long-term bank deposits may have negative interest rates which will be charged to the Underlying Fund. Such interest charges may adversely impact the net asset value of the Underlying Fund.

New Underlying Fund Launch, Merger or Liquidation Risk

Certain investment restrictions applicable to an Underlying Fund need not be adhered to during the period following the launch of an Underlying Fund or before an Underlying Fund undergoes a merger or liquidation (for further details, please refer to the Underlying Fund's Prospectus). The performance of an Underlying Fund in the above period(s) may be different from what it would otherwise be had the relevant investment restrictions been strictly adhered to by that Underlying Fund during such periods.

Non-investment Grade Sovereign Debt Securities Risk

The Underlying Fund may invest in debt securities issued or guaranteed by a non-investment grade sovereign issuer and is therefore subject to higher credit/default risk and concentration risk as well as greater volatility and higher risk profile. In addition, there are no bankruptcy proceedings for such securities on which money to pay the obligations of the securities may be collected in whole or in part. Investors may be requested to participate in the rescheduling of such securities and to extend further loans to the issuers. In the event of default of the sovereign issuer, the Underlying Fund may suffer significant losses.

Operational Risk

The Umbrella Fund may be exposed to a risk of loss which can arise, for example, from inadequate internal processes and from human error of system failure at the Umbrella Fund, at the Management Company, at the Investment Manager, at the custodian or at external third

parties. These risks can affect the performance of an Underlying Fund, can thus also adversely affect the net asset value per unit and the capital invested by the investor.

Performance Risk

It cannot be guaranteed that the investment objective of an Underlying Fund or the investment performance desired by the investors will be achieved. The Net Asset Value per unit may fluctuate and may fall, causing investors to incur losses. Investors assume the risk of potentially receiving back a lesser amount of principal than they originally invested. No guarantees are issued by the Umbrella Fund or any third party of any outcome for an investment in any of the Underlying Fund.

Restricted Flexibility Risk

The redemption of units may be subject to restrictions. If the redemption of units is suspended or delayed, investors will not be able to redeem their units and will be compelled to remain invested in the Underlying Fund for a longer period of time than originally intended or desired and their investments continue to be subject to the risks inherent to such Underlying Fund. If an Underlying Fund is dissolved, or if the Umbrella Fund exercises the right to compulsorily redeem units, investors will no longer be so invested. The same applies if an Underlying Fund held by the investors merges with another fund, Underlying Fund, in which case the investors shall automatically become holders of units in such other fund, or units in another Underlying Fund. The sales charge levied when units are acquired could reduce or even eliminate any gains on an investment, particularly if the investment is held for only a short period of time. If units are redeemed in order to invest the proceeds in another type of investment, investors may, in addition to the costs already incurred (e.g., sales charge), incur other costs such as a redemption fee and/or a disinvestment fee for the Underlying Fund held or extra sales charges for the purchase of other units. These events and circumstances could result in losses to the investor.

Risk Associated with the Receipt of Collateral

The Umbrella Fund may receive collateral e.g., for OTC derivatives. Derivatives may increase in value. Therefore, collateral received may no longer be sufficient to fully cover the Umbrella Fund's claim for delivery or redemption of collateral against a counterparty. The Umbrella Fund may deposit cash collateral in blocked accounts or invest it in high quality government bonds or in money market funds with a short-term maturity structure. Though, the credit institution that safe keeps the deposits may default; the performance of government bonds and money market funds may be negative. Upon completion of the transaction, the collateral deposited or invested may no longer be available to the full extent, although the Umbrella Fund is obligated to redeem the collateral at the amount initially granted. Therefore, the Umbrella Fund may be obliged to increase the collateral to the amount granted and thus compensate the losses incurred by the deposit or investment of collateral.

Risk Associated with Collateral Management

Collateral management requires the use of systems and certain process definitions. Failure of processes as well as human or system errors at the level of the Umbrella Fund, the Management Company or third parties in relation to collateral management could entail the risk that assets, serving as collateral, lose value and are no longer sufficient to fully cover the Umbrella Fund's claim for delivery or transfer back of collateral against a counterparty.

Settlement Risk

There is a risk for investments in unlisted securities that the settlement will not be executed as expected by a transfer system owing to a delayed payment or delivery or payment not being made in accordance with the agreement. This may lead to a fall in the NAV of an Underlying Fund.

Share class Liability Risk

Classes of an Underlying Fund are not separate legal entities. In relation to third parties, the assets allocated to a certain Class are not liable for just the debts and liabilities that can be allocated to that Class. If the assets of a Class are insufficient to cover the liabilities that can be allocated to such Class, those liabilities may have the effect of reducing the NAV of other Classes of the same Underlying Fund. Any reduction in NAV will have a negative impact on the relevant investor's investment.

Unit Movements Risk

The issue of units may lead to the investment of the cash inflow. Redemptions of units may lead to the disposal of investments to achieve liquidity. Such transactions can give rise to costs that could have a substantial negative effect on the performance of the Underlying Fund if units issued and redeemed on a single day do not approximately offset one another.

Small Capitalisation / Mid Capitalisation Companies Risk

The equities of small capitalisation/mid capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalization companies in general.

Sovereign Debt Risk

Debt securities issued or guaranteed by governments or their agencies ("Sovereign Debt Securities") may be exposed to political, social and economic risks. There is a risk that even governments or their agencies may default or not be able or willing to repay the principal and/or interest. In addition, there are no bankruptcy proceedings for Sovereign Debt Securities on which money to pay the obligations of Sovereign Debt Securities may be collected in whole or in part. Holders of Sovereign Debt Securities may therefore be requested to participate in the rescheduling of Sovereign Debt Securities and to extend further loans to the issuers of Sovereign Debt Securities. The Underlying Fund may suffer significant losses when there is a default of the Issuers of Sovereign Debt Securities. The Underlying Fund may invest all, or a significant part, of its assets, in Sovereign Debt Securities issued guaranteed by a single government or from agencies of the same government.

Sustainability Risk

Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. There is systematic research evidence that sustainability risks may materialize as issuer specific extreme loss-risks. Such issuer specific sustainability risk events typically happen with low frequency and probability but may have high financial impact and may lead to significant financial loss. Sustainability Risks may have the potential to influence the investment performance of portfolios negatively. The Management Company considers Sustainability Risks to be potential drivers of financial risk factors in investments such as market price risk, credit risk, liquidity risk and operational risk.

Target Funds Risk

If an Underlying Fund uses other funds ("target funds") as an investment vehicle for its assets by acquiring units in such target funds, it assumes, in addition to the risks generally associated with investment policies of the target funds, the risks that result from the structure of the "fund" vehicle. As a result, it is itself subject to the capital risk, the settlement risk, the risk of restricted flexibility, the risk of changes to underlying conditions, the risk of changes to terms and conditions, the investment policy and other basic aspects of a fund, the key personnel risk, the risk of transaction costs at the fund level arising from unit movements and, in general, performance risk. If the investment policy of a target fund makes use of investment strategies that are oriented toward rising markets, the corresponding positions should generally have a positive effect on target fund assets when markets are rising and a negative effect when markets are falling. If the investment policy of a target fund makes use of investment strategies that are oriented toward falling markets, the corresponding positions should generally have a positive effect on target fund assets when markets are falling and a negative effect when markets are rising. The target fund managers of different funds operate independently of one another. This may lead to several target funds assuming opportunities and risks in the same or related markets or assets, which concentrates the opportunities and risks of the Underlying Fund holding these target funds on the same or related markets or assets. It could also have the effect of cancelling out the economic opportunities and risks assumed by the different target funds.

If an Underlying Fund invests in target funds, costs are regularly incurred both at the level of the Underlying Fund making the investment and at the level of the target funds, in particular, all-in-fees, management fees (fixed and/or performance related), depositary fees and other costs.

These may result in increased charges to the investors in the Underlying Fund making the investment.

Use of Derivatives Risk

The Underlying Fund may use derivatives – such as futures, options and swaps – for efficient portfolio management (including hedging) purposes. This may lead to correspondingly lower opportunities and risks in the general Underlying Fund profile. Hedging can be used in particular to reflect the different currency-hedged share classes of the Underlying Fund and thus to mark the profile of the respective share classes of the Underlying Fund.

The Underlying Fund may also employ derivatives in a speculative sense in order to increase returns in pursuing the investment objective, in particular, to represent the Underlying Fund's profile and to increase the level of investment above the level of investment of a fund that is fully invested in securities. In reflecting the Underlying Fund's profile through derivatives, the Underlying Fund's profile will be implemented through the replacement of direct investments in securities, for example, by investments in derivatives or also, in shaping the Underlying Fund's profile, specific components of the individual investment objectives and restrictions may be derivative based, for example reflecting currency positions through investments in derivatives, which normally will not have a substantial effect on the Underlying Fund's profile. In particular, if the individual investment objectives and restrictions states that, with the objective of achieving additional returns, the Investment Manager may also assume separate foreign currency risks with regard to certain currencies and/or separate risks with regard to Equities, Debt Securities and/or commodity futures indices and/or precious metals indices and/or commodity indices these components of the individual investment objectives and restrictions are predominantly derivative based.

If the Underlying Fund employs derivatives to increase the level of investment (investment purposes), it does so in order to achieve a medium to long-term risk profile that offers potentially much greater market risk than that of a fund with a similar profile that does not invest in derivatives. However, to this end the Investment Manager may employ derivatives as it sees fit, including very high levels of derivatives, which – relative to a fund that does not invest in derivatives with a similar profile – could result in very high additional opportunities and very high risks during certain phases. The Underlying Fund's Investment Manager follows a risk-controlled approach in the use of derivatives.

Valuation Risk

Valuation of an Underlying Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Underlying Fund.

Other Risk Factors

Please refer to the Underlying Fund's Prospectus for more information on the Other Risk Factors that may be associated with an investment in the Underlying Fund including company-specific risk, concentration risk, counterparty risk, country and region risk, creditworthiness and downgrading risk, dilution and swing pricing risk, distribution out of capital risk, general market risk, interest rate risks, liquidity risk, sovereign debt risk and use of derivatives risk.

Amundi Funds – Income Opportunities

Exchange rate Risks

Fluctuations in the exchange rates of investor’s home country's currency and the currency of Units may cause the value of Units to go up or down in terms of investor’s home country's currency. Investors may therefore be exposed to exchange rate risks. Some Share Classes may provide a hedge for currency risks. The Underlying Fund may invest in assets denominated in currencies that are different from the Underlying Fund's base currency. This may expose investors to variations of the exchange rates of the different currencies to which the Underlying Fund is exposed.

For the Underlying Fund which implements a systematic hedging strategy where hedging will not be at the discretion of the relevant Investment Manager, a residual currency risk may exist due to the imperfection of the hedging. In this respect, the extent to which currency risks of the Underlying Fund will be hedged is at the discretion of the Investment Manager.

Risks relating to distribution of dividends

Distributing Share Classes are deemed to distribute part or all of its income received. In order to meet a target dividend, the Share Class may end up paying out more money than it actually earned in dividends, meaning that investors are effectively getting some of their capital back as a dividend. This may happen when dividend/interest income and capital gains are adversely affected by events such as investee entities suffering unexpected losses and/or paying lower than expected dividends, and adverse currency exchange rate fluctuations. Payment of distributions (whether out of dividend/interest income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the relevant Share Class.

BlackRock Premier Funds Systematic Global Equity High Income Fund

Investment Risks

The performance of each Underlying Fund will depend on the performance of its underlying investments. No guarantee or representation is made that any Underlying Fund or any investment will achieve its investment objective. Past results are not necessarily indicative of future results. The value of the Units may fall due to any of the risk factors below as well as rise and an investor may not recoup its investment. Income from the Units may fluctuate in money terms. Changes in exchange rates may, among other factors, cause the value of Units to increase or decrease. The levels and bases of, and reliefs from, taxation may change. There can be no assurance that the collective performance of an Underlying Fund’s underlying investments will be profitable. Also, there is no guarantee of the repayment of principal.

The underlying scheme are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The management company of the underlying scheme seeks to reduce these operational risks through controls and procedures and, through its monitoring and oversight of providers of services for the underlying scheme, and also seeks to ensure that such service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the management company of the underlying scheme and other service providers to identify and address all of the operational risks that may affect an underlying scheme or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

An underlying scheme’s operations (including investment management, distribution, collateral management, administration, and currency hedging) are carried out by several service providers which are selected based on a rigorous due diligence process.

Nevertheless, the management company of the underlying scheme and other service providers to the underlying scheme may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, provision or receipt of erroneous or incomplete data, resulting in operational risk which may have a negative effect on the underlying scheme’s operations and may expose the underlying scheme to a risk of loss. This can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, provision or receipt of erroneous or incomplete data or loss of data, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. Investors of the underlying scheme could experience delays (for example, delays in the processing of subscriptions, switching and redemption of units) or other disruptions.

While the management company of the underlying scheme seeks to minimize operational errors as set out above, there may still be failures that could cause losses to an underlying scheme and reduce the value of the underlying scheme (and thus the Underlying Fund).

The performance of certain underlying scheme (and thus the Underlying Fund) is partially dependent on the success of the asset allocation strategy employed by the underlying scheme. There is no assurance that the strategy employed by the underlying scheme will be successful and therefore the investment objectives of the underlying scheme may not be achieved.

Risks of Investing in Underlying Scheme

The Underlying Fund is established as a feeder fund will invest all or substantially all of its assets in an underlying scheme. The risks associated with the underlying scheme may be relevant to the Underlying Fund as a fall in value of the relevant underlying scheme will decrease the value of the Underlying Fund.

The performance of the Underlying Fund may deviate from the performance of the underlying scheme due to the Underlying Fund’s holdings in investments other than the underlying scheme, as well as the Underlying Fund’s fees and expenses.

In addition to the expenses and charges charged by the Underlying Fund, investor should note that there may be additional fees involved when investing into an underlying scheme, such as fees and expenses charged by the service providers of the underlying scheme.

Furthermore, some of the markets in which an underlying scheme invests may be less liquid and more volatile than the world’s developed stock markets and this may result in the fluctuation in the price of securities traded on such markets. Certain securities may be difficult or impossible to sell, and this would affect the underlying scheme’s ability to acquire or dispose of such securities at their intrinsic value. The underlying scheme may encounter difficulties in valuing and/or disposing of assets at their fair price due to adverse market conditions and/or large-scale redemptions. There can be no assurance that the liquidity of the underlying scheme will always be sufficient to meet redemption request as and when made. For example, if the underlying scheme receives substantial redemption requests on a dealing day (either from the relevant Underlying Fund or other investors of the underlying scheme), the underlying scheme may limit the redemptions up to a certain percentage of its approximate value (“**Redemption Gate**”). If such Redemption Gate is exercised by the underlying scheme on a dealing day, the units of the underlying scheme may be redeemed on a pro rata basis on such dealing day and the redemption request which is not effected by the underlying scheme by virtue of this Redemption Gate may be dealt with on the following dealing days in priority to later requests. The relevant Underlying Fund and its Unitholders may be adversely affected by the suspension of dealing in the underlying scheme. In these circumstances, an Underlying Fund’s request for redemption from the relevant underlying scheme may be delayed. Consequently, the relevant Underlying Fund may experience difficulties and/or delays in satisfying redemption requests from the Unitholders. Also, the price at which the Underlying Fund redeems from the underlying scheme may fluctuate due to the potential deferral of the redemption requests by the underlying scheme. This may have adverse impact on the relevant Underlying Fund and its investors.

Also, an Underlying Fund does not have control of the investments of the underlying scheme and there can be no assurance that the underlying scheme's investment objectives and strategies will be successfully achieved, which may have adverse impact on the relevant Underlying Fund and its investors.

If an Underlying Fund invests in an underlying scheme managed by the Management of the Trust or a Connected Person of the Management of the Trust, potential conflict of interest may arise. Please refer to the section headed "**Conflicts of Interest and Relationships within the BlackRock Group**" in the Underlying Fund's Prospectus for details under the circumstances.

Derivatives

The Underlying Fund and the underlying scheme may use financial derivatives in accordance with the investment limits and restrictions set out in the Underlying Fund's Prospectus, the offering documents of the underlying scheme (for the underlying scheme) and in the section headed "**Investment Objectives and Policies**" (for both the Underlying Fund and the underlying scheme) of the Underlying Fund's Prospectus. In adverse situations, the use of financial derivative instruments by an Underlying Fund or an underlying scheme may be ineffective in hedging, cash management and/or investment purposes and the relevant Underlying Fund or the relevant underlying scheme may suffer significant losses.

The use of financial derivative instruments may expose an Underlying Fund or an underlying scheme to a higher degree of risk. Derivatives may give rise to leverage and the risk of loss may be greater than the amount invested in the derivative and may expose the Underlying Fund or the underlying scheme to significant losses.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase the Underlying Fund's or the underlying scheme' volatility.

The use of financial derivative instruments may involve additional risks, for example, insolvency risk (risk that the counterparty may not have sufficient funds and files for bankruptcy), risk involved with effective management of derivative strategies (risk that the underlying investments in the derivatives-based investment strategy do not perform as expected), risk of mispricing or improper valuation of derivatives (operational risk that the derivative is not priced properly) and risk of higher volatility. In respect of an over-the counter derivative, additional counterparty and liquidity risks may be involved.

Risk relating to Currency Hedging

In respect of currency hedged Share classes, the hedging strategies may be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the currency hedged Share class and so, where such hedging is undertaken it may substantially protect Unitholders in the relevant Class against a decrease in the value of the Base Currency relative to the hedged Share class currency, but it may also preclude Unitholders from benefiting from an increase in the value of the Base Currency.

Hedged Share classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the hedged Share class.

The Underlying Fund may also use hedging strategies which seek to provide exposure to certain currencies (i.e. where a currency is subject to currency trading restrictions). These hedging strategies involve converting the Net Asset Value of the relevant Share class into the relevant currency using financial derivative instruments (including currency forwards). There is no guarantee that hedging techniques will fully and effectively achieve their desired result. The success of hedging much depends on the Management of the Trust's (and, where applicable, the Investment Adviser(s)') expertise and hedging may become inefficient or ineffective. This may

have adverse impact on the relevant Underlying Fund and its investors. While an Underlying Fund may enter into such hedging transactions to seek to reduce risks, unanticipated changes in currency, interest rates and market circumstances may result in a poorer overall performance of an Underlying Fund. An Underlying Fund may not obtain a perfect correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the relevant Underlying Fund to risk of loss.
All gains/losses or expenses arising from hedging transactions are borne separately by the Unitholders of the respective currency hedged Share classes. Given that there is no segregation of liabilities between Share classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Share class could result in liabilities which might affect the Net Asset Value of the other Share classes of the relevant Underlying Fund.

Counterparty Risk to the Custodian
The Trustee may not keep all the assets of the Trust itself but may use a network of custodians and sub-custodians which are not always part of the same group of companies as the Trustee. An Underlying Fund will be exposed to the credit risk of any custodian (and sub-custodian) or any depositary used by the custodian where cash is held by the custodian (and sub-custodian) or other depositaries. Where an Underlying Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the relevant Underlying Fund may be exposed to custodial risk. In the event of the liquidation, bankruptcy or insolvency of the custodian (and sub-custodian) or other depositaries, the Underlying Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Underlying Fund may even be unable to recover all of its assets. The costs borne by the Underlying Fund in investing and holding investments in such markets will be generally higher than in organised securities markets. Further, in the event of the insolvency of the custodian (and sub-custodian) or other depositaries, the Underlying Fund will be treated as a general creditor of the custodian (and sub-custodian) or other depositaries in relation to cash holdings of the Underlying Fund. The Underlying Fund's securities are however maintained by the custodian (and sub-custodian) or other depositaries in segregated accounts and should be protected in the event of insolvency of the custodian (and sub-custodian) or other depositaries.

Counterparty Risk to the Executing Broker
Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the Management of the Trust in relation to the sale and purchase of assets or securities for the Underlying Fund. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Trust or an Underlying Fund. The Trust intends to attempt to limit its investment transactions to well-capitalised and established banks and brokerage firms in an effort to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the Trust.

Tax Considerations
The Underlying Fund may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where an Underlying Fund invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Underlying Fund may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value per Unit.
The tax information provided in the "**Taxation**" section of the Underlying Fund's Prospectus is based, to the best knowledge of the Management of the Trust, upon tax law and practice as at the date of the Underlying Fund's Prospectus. Tax legislation, the tax status of the Underlying Fund, the taxation of Unitholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in any jurisdiction where an Underlying Fund is registered, marketed or invested could affect the tax status of the Underlying Fund, affect the value of the Underlying Fund's investments in the affected jurisdiction and affect the Underlying Fund's ability to achieve its investment objective and/or alter the post-tax returns to Unitholders. Where an Underlying Fund invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or

the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Unitholders depend on the individual circumstances of Unitholders. The information in the "**Taxation**" section of the Underlying Fund's Prospectus is not exhaustive and does not constitute legal or tax advice. Investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Underlying Fund.

Where an Underlying Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the relevant Underlying Fund, the Management of the Trust and the Trustee shall not be liable to account to any Unitholder for any payment made or suffered by the Underlying Fund in good faith to a fiscal authority for taxes or other charges of the relevant Underlying Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Underlying Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Underlying Fund, not to the Management of the Trust nor to the Trustee. Such late paid taxes will normally be debited to the Underlying Fund at the point the decision to accrue the liability in the Underlying Fund accounts is made.

Currency Risk – Base Currency
The Underlying Fund or the underlying scheme may invest in assets denominated in a currency other than the Base Currency of the Underlying Fund or the underlying scheme. Changes in exchange rates between the Base Currency and the currency in which the assets are denominated and changes in exchange rate controls will cause the value of the asset expressed in the Base Currency to fall or rise. The Underlying Fund may utilise techniques and instruments including derivatives for hedging purposes to control currency risk. However it may not be possible or practical to completely mitigate currency risk in respect of an Underlying Fund's portfolio or specific assets within the portfolio. Furthermore, the Management of the Trust is not obliged to seek to reduce currency risk within the Underlying Fund.
Certain Underlying Fund or underlying scheme may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the Base Currency with the aim of generating positive returns. Any active currency management techniques implemented by the Underlying Fund or the underlying scheme may not be correlated with the underlying securities held by the Underlying Fund or the underlying scheme. As a result, the relevant Underlying Fund or the relevant underlying scheme may suffer significant losses even if there is no loss to the value of the underlying securities held by the Underlying Fund or the underlying scheme.

Currency Risk – Share class Currency
Certain Share classes of the Underlying Fund may be denominated in a currency other than the Base Currency of the Underlying Fund. Therefore changes in exchange rates and changes in exchange rate controls may affect the value of an investment in the Underlying Fund.

Currency Risk – Investor's Own Currency
An investor may choose to invest in a Class which is denominated in a currency that is different from the currency in which the majority of the investor's assets and liabilities are denominated (the "**Investor's Currency**"). In this scenario, the investor is subject to currency risk in the form of potential capital losses resulting from movements of the exchange rate between the Investor's Currency and the currency of the Class in which such investor invests, in addition to the other currency risks described herein and the other risks associated with an investment in the relevant Underlying Fund.

Risk relating to Substantial Redemptions

Substantial redemptions of Units (which are more likely to occur in adverse economic or market conditions) could require the Management of the Trust to liquidate investments of the Underlying Fund more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a position appropriately reflecting the smaller equity base. This could adversely affect the Net Asset Value per Unit of both Units being redeemed and of remaining Units.

Risk relating to Suspension of Dealings
The Management of the Trust is entitled under certain circumstances specified in the Trust Deed to suspend dealings in the Units. In this event, valuation of the Net Asset Value will be suspended, and any affected redemption applications and payment of redemption proceeds will be deferred. The risk of decline in the Net Asset Value per Unit during the period up to the redemption of the Units is borne by the redeeming Unitholders.

Limited Operating History
Newly formed Underlying Fund of the Trust have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in the Underlying Fund. The investment programme of the Underlying Fund should be evaluated on the basis that there can be no assurance that the Management of the Trust’s (and, where applicable, the Investment Adviser(s)’) assessments of the short-term or long-term prospects of investments, will prove accurate or that the Underlying Fund will achieve its investment objective.

Global Financial Market Crisis and Governmental Intervention
Triggered by the financial crisis in 2008, global financial markets have undergone pervasive and fundamental disruptions and significant instability which has led to governmental intervention. Regulators in certain jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in themselves have been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Manager's ability to implement an Underlying Fund’s investment objective. Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Management of the Trust cannot predict with certainty how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on an Underlying Fund, the global economy and the global securities markets. The Management of the Trust is monitoring the situation.

Financial Markets, Counterparties and Service Providers
The Underlying Fund may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse effect on the activities of the Underlying Fund. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Underlying Fund could be substantial and adverse.

Regulatory Risk
Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Trust could be substantial and adverse.

Risk of Indemnity
Under the Trust Deed, the Trustee and the Management of the Trust have the right to be indemnified for any liability or expense incurred by them in performing their respective duties except for any liability or obligation to the Unitholders imposed on the Trustee or the Management of the Trust under Hong Kong law or breaches of trust through fraud or negligence. Any reliance

by the Trustee or the Management of the Trust on the right of indemnity would reduce the assets of the affected Underlying Fund or the Trust and the value of the Units.

Operating Cost

There is no assurance that the performance of the Underlying Fund will achieve their investment objective. The level of fees and expenses payable by the Underlying Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Underlying Fund can be estimated, the growth rate of the Underlying Fund, and hence their Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Underlying Fund or the actual level of their expenses.

Other Risks with respect to the Underlying Fund

The Underlying Fund may be exposed to risks that are outside of their control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Risk of Withdrawal of SFC Authorisation

The Underlying Fund has been authorised as a collective investment scheme by the SFC pursuant to section 104 of the SFO. Authorisation by the SFC is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of a product or its performance. It does not mean the Underlying Fund are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of any Underlying Fund or impose such conditions as it considers appropriate. In addition, any authorisation granted by the SFC may be subject to certain waivers which may be withdrawn or varied by the SFC. If as a result of such withdrawal or variation of waivers it becomes illegal, impracticable or inadvisable to continue an Underlying Fund, the relevant Underlying Fund will be terminated.

Early Liquidation Risk

As may be determined by the Management of the Trust and the Trustee, an Underlying Fund may be liquidated under certain circumstances set out under "**Termination of the Trust**" in the Underlying Fund's Prospectus. In the event of the liquidation of an Underlying Fund, such Underlying Fund would have to distribute to Unitholders their pro rata interest in the assets of the Underlying Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Underlying Fund might be worth less than the initial cost of such investments, resulting in a loss to Unitholders.

Compulsory Redemption of Units

The Management of the Trust or the Trustee may require a Unitholder to transfer the Unitholder's Units or may redeem such Units in accordance with the Trust Deed if it shall come to the notice of the Management of the Trust or the Trustee that Units of any Class are owned directly, indirectly or beneficially by any person in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or in circumstances which in their opinion might result in the Underlying Fund in relation to such Class of Units, the Trust, the Trustee and/or the Management of the Trust incurring any liability to taxation or suffering any other pecuniary disadvantage which the Underlying Fund, the Trust, the Trustee and/or the Management of the Trust might not otherwise have incurred or suffered or been subject to, the Management of the Trust or the Trustee (in consultation with the Management of the Trust) may, acting in good faith and in compliance with any applicable laws and regulations, give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units. If any person upon whom such a notice is served does not within thirty days after such notice transfer such Units as aforesaid or establish to the satisfaction of the Management of the Trust (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiration of thirty days to have given a request in writing for the redemption of all such Units.

Risk relating to Foreign Account Tax Compliance Act (“FATCA”)
Although the Management of the Trust will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA withholding, no assurance can be given that any Underlying Fund will be able to achieve this and/or satisfy such FATCA obligations. If an Underlying Fund becomes subject to a 30% FATCA penalty withholding on most types of income from US investments (further described under the sub-section headed “**FATCA**” in the section headed “**Taxation**” in the Underlying Fund’s prospectus) as a result of the FATCA regime, the value of the Units held by Unitholders in the relevant Underlying Fund may suffer material loss.

5.2 Risks specific to the Underlying Funds

<u>Allianz Income and Growth</u>

China Investment Risk

The Underlying Fund may invest in China and be subject to the risks as set out in the Appendix 1 - Additional Disclosure relating to China Investment Risk.

Defaulted Securities / Distressed Debt Risk

In certain cases, the Underlying Fund may acquire securities issued from an issuer that has defaulted on their interest/coupon payments (“Defaulted/Distressed Debt Securities”). The purchase of these securities exposes the Underlying Fund to the specific risk of Issuer Default (see Issuer Default Risk). In addition, an insolvency administrator is usually appointed to manage the defaulted issuer on behalf of the issuer’s directors. There is a high risk that the insolvency administrator realises the failed company’s assets, pays the liquidation expenses and compensates the creditors as far as the issuer’s remaining assets allow. This causes a long-lasting risk to the Underlying Fund that had acquired defaulted securities that these securities could potentially become completely worthless from an economic view. There is therefore a significant risk that the initial invest in the Defaulted/Distressed Debt could be lost entirely. In the event that a security held becomes defaulted, the Underlying Fund may continue to hold the defaulted security until such time as the Investment Manager determines.

High-Yield Investments Risk

High-yield investments are debt securities that are either rated non-investment grade by a recognised rating agency or are not rated at all, but that would presumably receive a rating of non-investment grade if they were to be rated. In particular, such investments are normally associated with an increased degree of creditworthiness risk, risk of interest rate changes, general market risk, company-specific risk and liquidity risk than higher rated, lower yielding securities. Such increased risk may have an adverse impact on the Underlying Fund and/or the investors.

<u>Amundi Funds – Income Opportunities</u>

Concentration Risk
To the extent that the Underlying Fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a fund that invests more broadly. When an Underlying Fund invests a large portion of its assets in a particular issuer, industry, type of bond, country or region, or in a series of closely interconnected economies, its performance will be more strongly affected by any business, economic, financial, market or political conditions affecting the area of concentration. This can mean both higher volatility and a greater risk of loss.

Contingent convertible bonds (“Cocos”) Risk

These include risks related to the characteristics of these almost perpetual securities: Coupon cancellation, partial or total reduction in the value of the security, conversion of the bond into equity, reimbursement of principal and coupon payments "subordinate" to those of other creditors with senior bonds, the possibility to call during life at predetermined levels or to extend the call. These conditions can be triggered, in whole or part, either due to financial ratios at level of the issuer or by discretionary and arbitrary decision of the latter or with the approval of the competent supervisory authority. Such securities are also innovative, yet untested and may therefore be subject to reaction of the market that may not be anticipated and that may affect their valuation and liquidity. The attractive yield offered by such securities compared to similarly rated debts may be the result of investors' undervalued risk assessment and capacity to face adverse events. Occurrence of any such risks may cause a decrease in the net asset value.

Counterparty Risk

An entity with which the Underlying Fund does business (e.g. entering into OTC derivative agreements or efficient portfolio management techniques such as repurchase or securities lending transactions) could become unwilling or unable to meet its obligations to the Underlying Fund.

Country Risk - China

In China, it is uncertain whether a court would protect the Underlying Fund's right to securities it may purchase via the Shanghai-Hong Kong Stock Connect or other programs, whose regulations are untested and subject to change. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the Underlying Fund with relatively little standing to take legal action in China. In addition, the Security exchanges in China may tax or limit short-swing profits, recall eligible stocks, set maximum trading volumes (at the investor level or at the market level) or may otherwise limit or delay trading. Concerning investments in Chinese debt instruments, many of them do not have rating assigned by international credit agencies. An Underlying Fund investing in Chinese debt instruments may therefore make use of internal credit ratings or those from an onshore credit rating agency or both. The internal credit ratings rely on methodologies for the assessment of the credit quality address the profitability, solvency and liquidity, based on specific quantitative and qualitative elements that vary depending on the type of issuers and the type of asset class/instrument. The methodologies take into account quantitative and qualitative indicators that make it possible to assess in a prudent, systematic and permanent manner the reliability of the information and the visibility in the short and medium term for the viability of the issuer and issuances. The credit appraisal system in China may be considered to be at an early stage of development. The same rating scale may be interpreted differently by different local rating agencies as there is no standard credit rating methodology used in investment appraisal. The ratings assigned may not reflect the actual financial strength of the appraised instrument. Credit ratings assigned by a rating agency should not be considered absolute standards of credit quality and do not evaluate market risks. An issuer's current financial condition may be better or worse than a rating indicates as rating agencies

Credit Risk

A bond or money market security could lose value if the issuer's financial health deteriorates. If the financial health of the issuer of a bond or money market security weakens, or if the market believes it may weaken, the value of the bond or money market security may fall. The lower the credit quality of the debt, the greater the credit risk. In some cases an individual issuer could go into default (see "Default Risk"), even though ordinary conditions prevail in the general market.

Currency Risk

Changes in currency exchange rates could reduce investment gains or increase investment losses, in some cases significantly. Exchange rates can change rapidly and unpredictably, and it may be difficult for the Underlying Fund to unwind its exposure to a given currency in time to avoid losses.

Default Risk

The issuers of certain bonds could become unable to make payments on their bonds.

Derivatives Risk

Certain derivatives could behave unexpectedly or could expose the Underlying Fund to losses that are significantly greater than the cost of the derivative.

Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s). In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or losses created by certain derivatives.

- **OTC derivatives** Because OTC derivatives are in essence private agreements between the Underlying Fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honor its obligations to the sub-fund. The list of counterparty's contracts will be available in the annual report. This counterparty default risk is limited by the regulatory OTC derivatives counterparty limits. Mitigation techniques aiming to limit this risk are used, such as collateral policy or resets in contracts for difference.

  If a counterparty ceases to offer a derivative that the sub-fund had been planning on using, the sub-fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

  Because it is generally impractical for the SICAV to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any sub-fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the SICAV, which could leave the SICAV unable to operate efficiently and competitively.

- **Exchange-traded derivatives** While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for the Underlying Fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of units. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

Please refer to the Underlying Fund's Prospectus for more details on the use of derivatives.

The Management Company uses a risk-management process, approved and supervised by its board, that enables it to monitor and measure the overall risk profile of the Underlying Fund.

The Underlying Fund takes up the following Risk management method:

Absolute VaR: The Underlying Fund seeks to estimate the maximum loss it could experience in a month (meaning 20 trading days), and requires that 99% of the time, the Underlying Fund's worst outcome is no worse than a 20% decline in NAV.

Expected gross leverage: 100%

Rationale for absolute VaR limit: Such limit is appropriate based on the extent of financial derivatives used and the complexity of the investment strategy.

Factors contributing to the leverage include the use of derivatives as set out in the Underlying Fund's investment policy in the Underlying Fund's Prospectus. The risk allocation between those strategies depends on the identified investment opportunities.

Please refer to the Underlying Fund's Prospectus for more details on leverage.

The Management Company will, in accordance with the Luxembourg guidelines and regulations, ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented. The Management Company will also, in accordance with the Luxembourg guidelines and regulations, ensure that it has the necessary expertise to control and manage the risks relating to the use of derivatives.

Investors may obtain supplementary information relating to the risk management process from the Management Company upon request by mail addressed to the registered office of the Management Company.

Emerging markets Risk

Emerging markets are less established than developed markets and therefore involve higher risks, particularly market, liquidity, currency risks and interest rate risks, and the risk of higher volatility.

Reasons for this higher risk may include:

- political, economic, or social instability
- fiscal mismanagement or inflationary policies
- unfavorable changes in regulations and laws and uncertainty about their interpretation
- failure to enforce laws or regulations, or to recognise the rights of investors as understood in developed markets
- excessive fees, trading costs or taxation, or outright seizure of assets
- rules or practices that place outside investors at a disadvantage
- incomplete, misleading, or inaccurate information about securities issuers
- lack of uniform accounting, auditing and financial reporting standards
- manipulation of market prices by large investors
- arbitrary delays and market closures
- fraud, corruption and error

Emerging markets countries may restrict securities ownership by outsiders or may have less regulated custody practices, leaving the Underlying Fund more vulnerable to losses and less able to pursue recourse. In countries where, either because of regulations or for efficiency, the Underlying Fund uses depository receipts (tradable certificates issued by the actual owner of the underlying securities), P-notes or similar instruments to gain investment exposure, the Underlying Fund takes on risks that are not present with direct investment. These instruments involve counterparty risk (since they depend on the creditworthiness of the issuer) and liquidity risk, may trade at prices that are below the value of their underlying securities, and may fail to pass along to the Underlying Fund some of the rights (such as voting rights) it would have if it owned the underlying securities directly. To the extent that emerging markets are in different time zones from Luxembourg, the Underlying Fund might not be able to react in a timely fashion to price movements that occur during hours when the sub- fund is not open for business. For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, South America and Eastern Europe as well as countries that have successful economies but may not offer the same level of investor protection as exists in, for example, Western Europe, the US and Japan.

Equity Risk

Equities can lose value rapidly, and typically involve higher risks than bonds or money market instruments. If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

Hedging Risk

Any attempts to hedge (reduce or eliminate certain risks) may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss. Any measures that the Underlying Fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely. To the extent that no hedge exists, the Underlying Fund or share class will be exposed to all risks that the hedge would have protected against. The Underlying Fund may use hedging within its portfolio. With respect to any designated share classes, the Underlying Fund may hedge either the currency exposure of the class (relative to the currency exposure(s) of the relevant portfolio or reference currency). Hedging involves costs, which reduce investment performance.

High Yield Risk

The high yield debt securities involve special considerations and risks, including the risks associated with international investing generally, such as currency fluctuations, the risks of investing in countries with smaller capital markets, limited liquidity, price volatility and restrictions on foreign investment. Investment in high yield debt securities is subject to risks of interest rate, currency, market, credit and security. Compared to investment-grade bonds (as defined for the relevant Underlying Fund), the high yield bonds are normally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

Interest rate Risk

When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment.

Investment fund Risk

As with any investment fund, investing in the Underlying Fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the Underlying Fund and cause its NAV to fall
- the investor cannot direct or influence how money is invested while it is in the Underlying Fund
- the Underlying Fund’s buying and selling of investments may not be optimal for the tax efficiency of any given investor
- the Underlying Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the Underlying Fund decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
- because the Underlying Fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
- because Underlying Fund units are not publicly traded, the only option for liquidating units is generally redemption, which could be subject to delays and any other redemption policies set by the Underlying Fund
- to the extent that the Underlying Fund invests in other UCITS / UCIs, it may incur a second layer of investment fees, which will further erode any investment gains
- to the extent that the Underlying Fund uses efficient portfolio management techniques, such as securities lending, repurchase transactions and reverse repurchase transactions as well as TRS, and in particular if it reinvests collateral associated with these techniques, the Underlying Fund takes on counterparty, liquidity, legal, custody (e.g absence of the assets’ segregation) and operational risks, which can have an impact on the performance of the Underlying Fund concerned. To the extent that related parties (companies of the same group as the management company or as the investment manager or as the sub-investment manager) may intervene as either counterparty or agent (or in any other role) in efficient portfolio management operations, and in particular in securities lending operations, a

potential conflict of interest risk may arise. The Management Company is responsible for managing any conflict that might arise and avoid that such conflicts negatively impact unitholders. All the revenues arising from repurchase transactions and stock lending transactions shall be returned to the relevant Underlying Fund following the deduction of any direct and indirect operational costs and fees. Such direct and indirect operational costs and fees, which shall not include hidden revenue, shall include fees and expenses payable to agents or counterparties at normal commercial rates. Amundi group policy for prevention and management of conflicts of interest is available on the website of Amundi (http://www.amundi.com).

- the Investment Manager or its designees may at times find their obligations to the Underlying Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably)

Leverage Risk

The Underlying Fund's net exposure above the Underlying Fund net asset value makes its unit price more volatile.

Liquidity Risk

Any security could become hard to value or to sell at a desired time and price. Liquidity risk could affect the Underlying Fund's ability to repay repurchase proceeds by the deadline stated in the prospectus. To the extent that the Underlying Fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the Underlying Fund level.

Management Risk

The Underlying Fund's management team may be wrong in its analysis, assumptions, or projections. This includes projections concerning industry, market, economic, demographic, or other trends.

Market Risk

Prices of many securities change continuously, and can fall based on a wide variety of factors.

Examples of these factors include:
- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad. In particular, commodity market risk may experience significant, sudden price variations that have a direct effect on the valuation of units and securities that equate to the units in which an Underlying Fund may invest and/or indices that an Underlying Fund may be exposed to. Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets etc.)

MBS/ABS Risk

Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity, credit and interest rate risks. MBSs (a category that includes collateralised mortgage obligations, or CMOs) and ABSs represent an interest in a pool of debt, such as credit card receivables, auto loans, student loans, equipment leases, home mortgages and home equity loans. When interest rates fall, these securities are often paid off early, as the mortgage-holders and other borrowers refinance the debt underlying the security. When interest rates rise, the borrowers of the underlying debt tend not to refinance their low-interest debt. MBSs and ABSs also tend to be of lower credit quality than many other types of debt securities. To the extent that the debts underlying an MBS or ABS go into default or become uncollectable, the securities based on those debts will lose some or all of their value. MBS and ABS include two types: agency or non-agency. Agency MBS and ABS are issued by government or government-sponsored enterprises, while non-agency MBS and ABS are created by private entities. Agency MBS and ABS typically entail less credit and default risk compared to non-agency MBS and ABS.

Operational Risk

In any country, but especially in emerging markets, there could be losses due to errors, service disruptions or other failures, as well as fraud, corruption, electronic crime, instability, terrorism or other irregular events. Operational risks may subject the Underlying Fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible

Prepayment and extension Risk

Any unexpected behavior in interest rates could hurt the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date). When interest rates fall, issuers tend to pay off these securities and reissue new ones at lower interest rates. When this happens, the Underlying Fund may have no alternative but to reinvest the money from these prepaid securities at a lower rate of interest ("prepayment risk"). At the same time, when interest rates rise, borrowers tend not to prepay their low-interest mortgages. This may lead the Underlying Fund to receiving below-market yields until interest rates fall or the securities mature ("extension risk"). It can also mean that the Underlying Fund must either sell the securities at a loss or forgo the opportunity to make other investments that may turn out to have performed better. The prices and yields of callable securities typically reflect the assumption that they will be paid off at a certain point before maturity. If this prepayment happens when expected, the Underlying Fund generally will not suffer any adverse effects. However, if it happens substantially earlier or later than expected, it can mean that the Underlying Fund effectively overpaid for the securities. Other factors as well can affect when or if an individual security is prepaincluding the presence or absence of any optional redemption and mandatory prepayment features, the default rate of the underlying assets and the nature of any turnover in the underlying assets. Prepayment and extension considerations can also affect the Underlying Fund's duration, increasing or decreasing sensitivity to interest rates in undesired ways. In some circumstances, the failure of rates to rise or fall when anticipated could cause prepayment or extension risks as well.

Real estate Risk

Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable. Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management, and other factors that may affect the market value or cash flow of the investment.

Sustainable Investment Risk

The Investment Manager considers the principal adverse impact of investment decisions on Sustainability Factors when making investments on behalf of the Underlying Fund. As indicated in the relevant supplement the Underlying Fund may also be established with either (i) investment policies that seek to promote environmental and social characteristics or (ii) a Sustainable Investment objective. In managing the Underlying Fund and in selecting the assets which the Underlying Fund shall invest in, the Investment Manager applies Amundi's Responsible Investment Policy.

The Underlying Fund may have an investment universe that focuses on investments in companies that meet specific criteria including ESG scores and relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. Accordingly, the universe of investments of such an Underlying Fund may be smaller than that of other funds. Such an Underlying Fund may (i) underperform the market as a whole if such investments underperform the market and/or (ii) underperform relative to other funds that do not utilize ESG criteria when selecting investments and/or could cause the Underlying Fund to sell for ESG related concerns investments that both are performing and subsequently perform well.

Exclusion or disposal of securities of issuers that do not meet certain ESG criteria from the Underlying Fund's investment universe may cause the Underlying Fund to perform differently compared to similar funds that do not have such a responsible investment policy and that do not apply ESG screening criteria when selecting investments.

The Underlying Fund will vote proxies in a manner that is consistent with the relevant ESG exclusionary criteria, which may not always be consistent with maximising the short-term performance of the relevant issuer. Further information relating to Amundi's ESG voting policy may be found in the Amundi's Responsible Investment Policy available at www.amundi.com.

The selection of assets may rely on a proprietary ESG scoring process that relies partially on third party data. Data provided by third parties may be incomplete, inaccurate or unavailable and as a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer.

Disclosure on securities lending and repurchase transactions

Consistent with the Underlying Fund's investment policy, the Underlying Fund may use the following techniques and instruments on securities financing transactions for the purposes of efficient portfolio management ("EPM"):

(a) Securities lending and borrowing transactions

The Underlying Fund may lend securities or instruments with any counterparty that is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

The Underlying Fund may lend portfolio securities either directly or through one of the following:

- a standardised lending system organised by a recognised clearing institution; or
- a lending system organised by a financial institution that specialises in this type of transaction.

The Underlying Fund may borrow securities only in exceptional circumstances, such as:

- when securities that have been lent are not returned on time; or
- when, for an external reason, the Underlying Fund could not deliver securities when obligated to.

(b) Repurchase agreements and reverse repurchase agreement transactions

The Underlying Fund may enter into repurchase agreements only with counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

Please refer to the Underlying Fund’s prospectus for details on the securities lending and repurchase transactions that an Underlying Fund may participate in and the restrictions and limits applicable to such transactions.

The net revenues (that represent the gross revenues minus the direct and indirect operational costs and fees) achieved from techniques and instruments on securities financing transactions (including securities lending and reverse repurchase/repurchase transactions) remain with the Underlying Fund. Direct and indirect operational costs and fees may be deducted from the gross revenues delivered to the Underlying Fund. These costs represent 35% of the gross revenues and are paid to Amundi Intermediation for its role as securities' lending agent. Out of the 35% it receives, Amundi Intermediation, covers its own fees and costs and shall pay any relevant direct fee and cost (including 5% to CACEIS Bank acting as collateral agent). For repurchase transactions, all revenues remain with the funds, and standard transaction costs of 0.005% on gross value of the transaction are separately charged Such direct fees and costs are determined in accordance with market practice and consistent with the current market levels. The remaining 65% of the gross revenue goes to the Underlying Fund.

As of the latest Underlying Fund’s Prospectus, Amundi Intermediation acts as Securities Lending Agent. It is in charge of counterparty selection and best execution. The Depositary, Caceis Bank, Luxembourg Branch acts as collateral manager. Both Amundi Intermediation and Caceis Bank, Luxembourg Branch are related parties to the Management Company, Amundi Luxembourg S.A.. The counterparties with whom securities lending transactions are entered will be detailed in the annual report of the Umbrella Fund.

Please refer to the Underlying Fund’s prospectus for details on the acceptable collateral, valuation of collateral and counterparties used.

As these operations may be done by companies of the same group as the Management Company or as the Investment Managers or as the Sub-Investment Managers, these operations generate a risk of conflict of interest. Please refer to the Underlying Fund’s Prospectus on management of potential conflicts of interests.

Disclosure on the China Interbank Bond Market

(a) Investing in the CIBM directly

The CIBM is an over-the-counter market for bonds issued and traded in mainland China.

Pursuant to the “Announcement (2016) No 3” issued by the People’s Bank of China (“**PBOC**”) on 24 February 2016, foreign institutional investors can invest in the CIBM directly (Foreign Access Regime) subject to other rules and regulations as promulgated by the Mainland Chinese authorities, i.e., PBOC and the State Administration of Foreign Exchange (“**SAFE**”). Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the “Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets” issued by the Shanghai Head Office of PBOC on 27 May 2016;

(ii) the “Circular concerning the Foreign Institutional Investors’ Investment in Interbank bond market in relation to foreign currency control” issued by SAFE on 27 May 2016; and

(iii) any other applicable regulations promulgated by the relevant authorities. Under this scheme, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance, foreign investors (including the relevant Sub-Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after the completion of the filing with the Shanghai Head Office of People’s Bank of China, or else an updated filing will need to be made through the onshore settlement agent. For repatriation, where the relevant Sub-Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("**Currency Ratio**") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

(b) Risks associated with investing directly in the CIBM

The regulations which regulate investments into CIBM by direct CIBM access are relatively new. The application and interpretation of the regulations are therefore relatively untested and there is uncertainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

The China interbank bond market is in a stage of development and internationalization.

Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on such market fluctuating significantly. The Underlying Fund investing in such market is therefore subject to liquidity and volatility risks and may suffer losses in trading on-shore China bonds. In particular, the bid and offer spreads of the prices of on-shore China bonds may be large, and the Underlying Fund may therefore incur significant trading and realization costs when selling such investments. To the extent that an Underlying Fund transacts in the China interbank bond market in on-shore China, the Underlying Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the sub-fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. The China interbank bond market is also subject to regulatory and tax risks.

Disclosure on commodities

The Underlying Fund may invest in exchange-traded commodities where the underlying may be a commodity or commodity index. Commodity sectors where exposures may be achieved include but are not limited to precious metals, industrial metals, agricultural goods or energy. Individual commodities within a specific commodity sector may be highly correlated with each other and correlation may be determined based on the price trends and historical returns of these individual commodities.

<u>BlackRock Premier Funds Systematic Global Equity High Income Fund</u>

Equity Risk

The values of equities fluctuate daily and an Underlying Fund by investing in equities via its underlying scheme could incur significant losses. The price of equities can be influenced by many factors at the individual company level such as company restructuring and change in the management of a company, as well as by broader economic and political developments, including changes in investment sentiments, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

Emerging Market/Frontier Market Risk

An Underlying Fund may have exposure to emerging markets through its underlying scheme. The following considerations, which apply to some extent to all international investments, are of particular significance in certain smaller emerging and frontier markets. An Underlying Fund investing in equities through its underlying scheme may include investments in certain smaller emerging and frontier markets, which are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of unit price and currency volatility. The prospects for economic growth in a number of these markets are considerable and equity returns have the potential to exceed those in mature markets as growth is achieved. However, unit price and currency volatility are generally higher in emerging and frontier markets.

Some governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems which may be exacerbated by climate change.

Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices which, in turn, may be affected by a variety of factors.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging and frontier markets may impose different capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging and frontier markets may be significantly different from those in developed markets. Compared to mature markets, some emerging and frontier markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of an underlying scheme's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging and frontier markets involve higher risks than those in developed markets, in part because an underlying scheme will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if an underlying scheme is unable to acquire or dispose of a security. The depositary of an underlying scheme is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.

In certain emerging and frontier markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists, which, along with other factors, could result in the registration of a unitholding being completely lost. Investors should therefore be aware that the underlying schemes concerned (and thus the Underlying Fund) could suffer loss arising from these registration problems, and as a result of archaic legal systems an underlying scheme may be unable to make a successful claim for compensation.

While the factors described above may result in a generally higher level of risk with respect to the individual smaller emerging and frontier markets, these may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within the relevant Underlying Fund.

These risks may have adverse impact on the net asset value of an underlying scheme (and thus the Net Asset Value of the relevant Underlying Fund).

Small/Mid Capitalisation Companies Risk

The securities of small/mid capitalisation companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general.

These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small/mid capitalisation company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small/mid capitalisation companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the net asset value of an underlying scheme (and thus the Net Asset Value of the relevant Underlying Fund's units).

Investments in the People's Republic of China ("PRC") Risk

Investments in the PRC are currently subject to certain additional risks, particularly regarding the ability to deal in securities in the PRC. Dealing in certain PRC securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the manager of an underlying scheme may determine from time to time that making direct investments in certain securities may not be appropriate for an underlying scheme. As a result, the manager of an underlying scheme may choose to gain exposure to PRC securities indirectly and may be unable to gain full exposure to the PRC markets.

<u>PRC economic risks</u>

The PRC is one of the world's largest global emerging markets. The economy in the PRC, which has been in a state of transition from a planned economy to a more market orientated economy, differs from the economies of most developed countries and investing in the PRC may be subject to greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down, greater control of foreign exchange and more limitations on foreign investment policy than those typically found in a developed market. There may be substantial government intervention in the PRC economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. The PRC government and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions, which may affect the trading of PRC securities. The companies in which the relevant underlying scheme invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies in more developed markets. In addition, some of the securities held by the relevant underlying scheme may be subject to higher transaction and other costs, foreign ownership limits, the imposition of withholding or other taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may have an unpredictable impact on the relevant underlying scheme's investments and increase the volatility and hence the risk of a loss to the value of an investment in the relevant underlying scheme.

As with any fund investing in an emerging market country, the relevant underlying scheme investing in the PRC may be subject to greater risk of loss than a fund investing in a developed market country. The PRC economy has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities markets in PRC and therefore on the performance of the relevant underlying scheme.

These factors may increase the volatility of any such underlying scheme (depending on its degree of investment in the PRC) and hence the risk of loss to the value of your investment.

<u>PRC political risks</u>

Any political changes, social instability and adverse diplomatic developments which may take place in, or in relation to, the PRC could result in significant fluctuation in the price of A-Units and/or China onshore bonds.

Legal system of the PRC

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. Such regulations also empower the CSRC and SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the relevant underlying scheme's onshore business operations or the ability of the relevant underlying scheme to acquire A-Units and/or China onshore bonds.

Accounting and reporting standards

PRC companies are required to comply with PRC accounting standards and practices which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and 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. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Renminbi currency and conversion risks

The Renminbi, the lawful currency of the PRC, is not currently a freely convertible currency and is subject to exchange control imposed by the PRC government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as the relevant underlying scheme may invest in the PRC, it will be subject to the risk of the PRC government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the relevant underlying scheme to satisfy payments to investors.

Non-Renminbi based investors are exposed to foreign exchange risk and there is no guarantee that the value of Renminbi against the investors' base currencies (for example USD) will not depreciate. Any depreciation of Renminbi could adversely affect the value of investor's investment in the Underlying Fund.

The exchange rate used for all relevant underlying scheme transactions in Renminbi is in relation to the offshore Renminbi ("CNH"), not the onshore Renminbi ("CNY"). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the PRC government from time-to-time as well as other external market forces. Any divergence between CNH and CNY may adversely impact investors.

PRC taxation risk

H-Shares

- H-Shares are PRC securities listed on the Stock Exchange of Hong Kong ("SEHK"). It is intended that with respect to the relevant underlying scheme's direct investment in H-Shares, dividends to be distributed by the PRC resident enterprise will be subject to withholding tax at 10% according to Circular Guoshuihan [2008] No 897. To-date, there is uncertainty as to whether and how capital gains on H-Shares will be taxed, and there has been no official clarification from the PRC tax authorities in this regard, nor has the PRC tax authorities actively enforced taxation on capital gains arising from sales of H-Shares by PRC non-resident enterprises.

A-Shares

- With respect to the relevant underlying scheme's direct investment in A-Shares, pursuant to Circular Guoshuihan [2009] No. 47, which was issued by the State Administration of Taxation ("**SAT**") on 23 January 2009, it was clarified that withholding tax would be levied at 10% on PRC-sourced dividends upon payment by the PRC resident enterprises. The PRC tax authorities announced via the release of Caishui [2014] No. 81 ("**Circular 81**") and Caishui [2016] No. 127 ("**Circular 127**") that gains derived by foreign investors from A-Shares traded through the Stock Connects would be temporarily exempted from PRC taxation from 17 November 2014. This temporary exemption applies to A-Shares generally, including shares in PRC 'land-rich' companies.
- The duration of the period of temporary exemption has not been stated and is subject to termination or modification by the PRC tax authorities with or without notice and potentially, retrospectively. If the temporary exemption is withdrawn, there is a risk that PRC tax authorities may seek to collect tax on capital gains realized on the relevant underlying scheme's PRC investments, and the resultant tax liability would eventually be borne by its investors.

With respect to the Underlying Fund that is a feeder fund, the underlying scheme into which the Underlying Fund feeds itself do not currently make any accounting provision for potential PRC taxes, such as 10% of any capital gains tax ("**CGT**") arising in respect of their own A-Share s or H-Share s portfolios. Any retrospective enforcement and/or changes in PRC tax law relevant to the underlying schemes into which the relevant Underlying Fund feed may result in additional and possibly substantial Net Asset Value impact on the respective Underlying Fund, if or to the extent that such tax liabilities are not already accounted for by the underlying schemes.

The PRC government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

Risks associated with ChiNext Board and/or the Science and Technology Innovation Board ("**STAR Board**")

An Underlying Fund may, via its underlying scheme, from time to time invest in the ChiNext Board of the SZSE and/or the STAR Board of the SSE via the Stock Connects. Investments in the ChiNext Board and/or STAR Board may result in significant losses for the Underlying Fund and its investors. The following additional risks apply:

- Higher fluctuation on stock prices and liquidity risk - Companies listed on ChiNext Board and/or STAR Board are usually of an emerging nature with smaller operating scale. Listed companies on ChiNext Board and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards may be subject to higher price fluctuation and lower liquidity and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk - Stocks listed on ChiNext Board and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating units.
- Differences in regulations - The rules and regulations regarding companies listed on the ChiNext Board and STAR Board are less stringent in terms of profitability and unit capital than those in the main boards.

- Delisting risk - It may be more common and faster for companies listed on ChiNext Board and/or STAR Board to delist. ChiNext Board and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the underlying scheme if the companies that it invests in are delisted.
- Concentration risk (applicable to STAR Board) - STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the underlying scheme to higher concentration risk.

Risks applicable to investing via Stock Connects

The Underlying Fund (as at the date of this Prospectus) may invest in eligible securities on the SSE and SZSE via the Stock Connects via investment in the underlying schemes.

In addition to risks regarding "Investments in the PRC" and other risks applicable to the Stock Connect Underlying Fund, the following additional risks apply:

- *Quota limitations* – The Stock Connects are subject to quota limitations, further details of which are set out in the "Investment Objectives and Policies" section below. In particular, once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant underlying scheme's ability to invest in the eligible securities through the Stock Connects on a timely basis, and the relevant underlying scheme may not be able to effectively pursue its investment strategy.

- *Legal and beneficial ownership* – The SSE Securities and SZSE Securities (each as defined under the sub-section entitled "**Stock Connects**" in the section headed "**Investment Objectives and Policies**") in respect of the underlying schemes are held by the depositary/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE Securities and SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the underlying schemes as the beneficial owner of the SSE Securities and SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of the underlying schemes under PRC law is also uncertain. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong there is a risk that the SSE Securities and SZSE Securities may not be regarded as held for the beneficial ownership of the underlying schemes, or as part of the general assets of HKSCC available for general distribution to its creditors.

  For completeness, the CSRC has provided information titled "Q&A regarding Certain Provisions on Stock Connect between the Mainland and Hong Kong Stock Markets" dated 27 October 2016 in relation to beneficial ownership – the relevant sections from this Q&A have been extracted and reproduced below:

"Do overseas investors enjoy proprietary rights as shareholders in the securities acquired through Northbound Trading Links under the Stock Connects held through HKSCC? Are the concepts of "nominee holder" and "beneficial owner" recognised under Mainland laws and regulations?

Article 18 of the Administrative Measures for Registration and Settlement of Securities (the "Settlement Measures") states that "securities shall be recorded in the accounts of the securities holders, unless laws, administrative regulations or CSRC rules prescribe that the securities shall be recorded in accounts opened in the name of nominee holders". Hence, the Settlement Measures expressly provides for the concept of nominee unitholding. Article 13 of the Certain Provisions on Stock Connect between the Mainland and Hong Kong Stock Markets states that, among others, "investors are entitled to the rights and interests of the securities acquired through the Northbound Trading Links of the Stock Connect between the Mainland and Hong Kong Stock Markets. ... Securities acquired through the Northbound Trading Links shall be registered in the name of HKSCC. ...". Hence, it has been set out explicitly that in Northbound Trading, overseas investors shall hold securities acquired through the Northbound Trading Links in the name of HKSCC and enjoy the proprietary interests as unitholders.

How can overseas investors pursue legal actions or file lawsuits in the Mainland in order to exercise their rights over the securities acquired through the Northbound Trading Links under the Stock Connects?

Mainland law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so. As we understand, under the Stock Connects, HKSCC, as the nominee holder and registered holder of the securities acquired by overseas investors through the Northbound Trading Links, may exercise unitholders' rights and pursue legal actions on behalf of overseas investors. In addition, Article 119 of the Civil Procedure Law of the People's Republic of China states that "the claimant in a legal action shall be an individual, legal person or any other organization that has a direct interest in the relevant case;". As long as the overseas investor can provide evidential proof of its beneficial ownership and direct stakeholdership, the investor may take legal actions in its own name in Mainland courts."

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

  As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant underlying scheme may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

- *Suspension risk* – Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant underlying scheme's ability to access the PRC market via Stock Connects will be adversely affected. In such event, the relevant underlying scheme's ability to achieve its investment objective could be negatively affected.

- *Differences in trading day* – The Stock Connects only operate on days when both the PRC and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the PRC market but the underlying schemes cannot carry out any SSE Securities and/or SZSE Securities trading via the Stock Connects. The underlying schemes may be subject to a risk of price fluctuations in SSE Securities and/or SZSE Securities during the time when any of the Stock Connects is not trading as a result.

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

  If an underlying scheme intends to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer those SSE Securities and/or SZSE Securities to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day") unless its broker(s) can otherwise confirm that the relevant underlying scheme has sufficient SSE Securities and/or SZSE Securities in the respective accounts. If it fails to meet this deadline, it will not be able to sell those securities on the trading day. Because of this requirement, an underlying scheme may not be able to dispose of its holdings of SSE Securities and/or SZSE Securities via the Stock Connects in a timely manner.

  Alternatively, if the underlying scheme maintains its SSE Securities and/or SZSE Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, the underlying scheme may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in SSE Securities and/or SZSE Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connects system to verify the holdings of an investor such as an underlying scheme. Provided that there is sufficient holding in the SPSA when a broker inputs the underlying scheme's sell order, the underlying scheme will only need to transfer SSE Securities and/or SZSE Securities from its SPSA to its broker's account after execution and not before placing the sell order and the underlying scheme will not be subject to the risk of being unable to dispose of its holdings of SSE Securities and/or SZSE Securities in a timely manner due to failure to transfer SSE Securities and/or SZSE Securities to its brokers in a timely manner.

  To the extent an underlying scheme is unable to utilize the SPSA model, it would have to deliver SSE Securities and/or SZSE Securities to its brokers before the market opens on the trading day. Accordingly, if there are insufficient SSE Securities and/or SZSE Securities in the underlying scheme's account before the market opens on the trading day, the sell order will be rejected, which may adversely impact its performance.

- *Settlement Mode under the SPSA model* – Under the normal Delivery Versus Payment (DVP) settlement mode, stock and cash settlement will take place on T+0 between clearing participants (i.e. brokers and custodian or a custodian participant) with a maximum window of four hours between stocks and cash movement. This applies to settlement in CNH only and on the condition that the brokers support same-day Chinese renminbi cash finality. Under the Real time Delivery Versus Payment (RDVP) settlement mode introduced in November, 2017, stock and cash movement will take place real time but the use of RDVP is not mandatory. The clearing participants must agree to settle the transaction RDVP and indicate RDVP on the settlement instruction in a specific field. If either of the clearing participants are unable to settle the trades RDVP, there is a risk that the trades could either fail or revert to normal DVP based on amendment from both parties. If the trades are to revert to normal DVP, an amended instruction from the underlying scheme must be provided before the published cut-off and matched with the broker's amended instruction before the market cut off; in the absence of such amended instructions, there is a risk the trades could fail and therefore may impact on the ability of the relevant underlying scheme to track closely the performance of its benchmark index.
- *Operational risk* – The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk

management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant underlying scheme's ability to access the PRC market via the Stock Connects (and hence to pursue its investment strategy) may be adversely affected.

- *Regulatory risk* – Because the Stock Connects rules are relatively recent, their interpretation and enforcement may involve significant uncertainty. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trade under the Stock Connects. The underlying schemes may be adversely affected as a result of such changes.

Chinese companies, such as those in the financial services or technology sectors, and potentially other sectors in the future, are also subject to the risk that Chinese authorities can intervene in their operations and structure, which may negatively affect the value of an underlying scheme's investments.

- *Recalling of eligible securities* – When a security is recalled from the scope of eligible securities for trading via the Stock Connects, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant underlying schemes, for example, if the investment adviser of the relevant underlying scheme wishes to purchase a security which is recalled from the scope of eligible securities.

Risks associated with investments in Debt instruments with loss absorption features

Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary units upon the occurrence of pre-defined trigger events, which are designed so that conversion occurs when the issuer of such instruments is in financial difficulty, as determined either by regulatory assessment or objective losses (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

An Underlying Fund may invest in contingent convertible bond via its underlying scheme from time to time. A contingent convertible bond may be converted into the issuer's equity or be partly or wholly written off (a "write-down") if a pre-specified trigger event occurs. Trigger levels differ and the exposure to conversion risk depends on the distance of the capital ratio to the trigger level. In case of conversion into equity, the relevant underlying scheme might be forced to sell these new equity units because the investment policy of the relevant underlying scheme may not allow equity in its portfolio. Such a forced sale, and the increased availability of these units might have an effect on market liquidity in so far as there may not be sufficient demand for these units. In the event of a write-down, which may be either temporary or permanent, the relevant underlying scheme may suffer a full, partial or staggered loss of the value of its investment. It might be difficult for the relevant underlying scheme to anticipate the trigger events or how the securities will behave upon conversion.

Investment in contingent convertible bonds may suffer a loss of capital. Further, contingent convertible bonds are usually subordinated to comparable non-convertible securities, and thus are subject to higher risks than other debt securities. Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer, in which event the relevant underlying scheme may experience losses. Investment in contingent convertible bonds may also lead to increased industry concentration risk and thus counterparty risk as such securities are issued by a limited number of banks.

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

Restrictions on Foreign Investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the underlying schemes. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of an underlying scheme. For example, an underlying scheme may be required in certain of such countries to invest initially through a local broker or other entity and then have the unit purchases re-registered in the name of the underlying scheme. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which an underlying scheme may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where an underlying scheme places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the underlying scheme of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to an underlying scheme’s ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. An underlying scheme could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the underlying scheme of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Units of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If an underlying scheme acquires units in closed-end investment companies, unitholders (including the Underlying Fund) would bear both their proportionate unit of expenses in the underlying scheme (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by the relevant underlying scheme. An underlying scheme may also seek, at its own cost, to create its own investment entities under the laws of certain countries.

Risks associated with Securities Lending Transactions, Repurchase Transactions and Reverse Repurchase Transactions

While the Underlying Fund currently do not intend to enter into any securities lending transactions, sale and repurchase transactions or reverse repurchase transactions, an underlying scheme may conduct securities lending transactions, sale and repurchase transactions and/or reverse repurchase transactions and is subject to the following risks:

Risks relating to securities lending transactions

The underlying schemes may enter into securities lending transactions for the purposes of efficient portfolio management subject to the conditions and limits in accordance with the requirements of the CSSF. The underlying schemes engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. The investments of the underlying schemes can be lent to counterparties over a period of time. Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out, which may result in a reduction in the value of the underlying scheme (and thus the Underlying Fund). The management company of the underlying scheme intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the underlying schemes will have a credit risk exposure to the counterparties to the securities lending contracts.

Risks relating to sale and repurchase transactions

In the event of the failure of the counterparty with which collateral has been placed, the relevant underlying scheme may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks relating to reverse repurchase transactions

In the event of the failure of the counterparty with which cash has been placed, the relevant underlying scheme may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Liquidity risk

Trading volumes in the underlying investments of the underlying schemes may fluctuate significantly depending on market sentiment. There is a risk that investments made by the underlying schemes may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the relevant underlying scheme may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of an underlying scheme's assets can have a negative impact of the value of the relevant underlying scheme or prevent the relevant underlying scheme from being able to take advantage of other investment opportunities.

The liquidity of fixed income securities issued by small and mid-capitalisation companies and emerging country issuers is particularly likely to be reduced during adverse economic, market or political events or adverse market sentiment. The credit rating downgrade of fixed income securities and changes in prevailing interest rate environments may also affect their liquidity. See also the sub-section entitled "Risks associated with Fixed Income Securities" in the section headed "Risk Considerations" of this Prospectus in relation to different sub-categories of fixed income securities.

Similarly, investment in equity securities issued by unlisted companies, small and mid-capitalisation companies and companies based in emerging countries are particularly subject to the risk that during certain market conditions, the liquidity of particular issuers or industries, or all securities within a particular investment category, will reduce or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse market sentiment.

Liquidity risk also includes the risk that relevant underlying schemes may be forced to defer redemptions, issue in specie redemptions or suspend dealing because of stressed market conditions, an unusually high volume of redemption re-quests, or other factors beyond the control of the investment adviser. To meet redemption requests, the relevant underlying schemes may be forced to sell investments at an unfavourable time and/or conditions, which may have a negative impact on the value of your investment.

Reliance on the Investment Adviser(s) Risk

With the delegation of all or part of its investment management functions of the Underlying Fund to one or more Investment Adviser(s), the Management of the Trust will rely on the Investment Adviser(s)' expertise and systems for the Underlying Fund' investments. Any disruption in the communication with or assistance from an Investment Adviser or a loss of service of an Investment Adviser or any of its key personnel may adversely affect the operations of an Underlying Fund.

Model Risk

Certain underlying schemes seek to pursue their investment objective by using proprietary models that incorporate quantitative analysis. Investments selected using these models may perform differently than as forecasted due to the factors incorporated into the models and the weighting of each factor, changes from historical trends, and issues in the construction and implementation of the models (including, but not limited to, software issues and other technological issues). There is no guarantee that BlackRock's use of these models will result in effective investment decisions for the underlying schemes. The information and data used in the models may be supplied by third parties. Inaccurate or incomplete data may limit the effectiveness of the models. In addition, some of the data that BlackRock uses may be historical data, which may not accurately predict future market movement. There is a risk that the models will not be successful in selecting investments or in determining the weighting of investment positions that will enable the underlying schemes to achieve their investment objective.

The above should not be considered to be an exhaustive list of the risks which potential policyholders should consider before investing into the Fund. Potential investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

Detailed above are investment risks applicable to the Underlying Fund(s) as set out in the latest prospectus (the "Prospectus"). If you need more information, kindly visit the following websites:

https://allianzgi.com

http://www.amundi.com

https://www.blackrock.com

6. Subscription of Units

6.1 Initial Purchase Price and Initial Offer Period

PRULink StrategicInvest Income Fund (Distribution) was launched on 5 August 2025 at an offer price of S$1.00. The Fund has an initial offer period from 5 August 2025 to 18 August 2025. During the period, the bid price will be fixed as S$0.95.

PRULink StrategicInvest Income Fund (USD) (Distribution) was launched on 5 August 2025 at a single bid price of US$1.00. The Fund has an initial offer period from 5 August 2025 to 18 August 2025.

6.2 How to Buy Units

When you apply for your policy, you can choose whether you want:

- all your allocated premium to be invested in one of the available PRULink Funds; or
- all your allocated premium to be invested in 2 or more of the available PRULink Funds.

You must invest a minimum of 5% of your premium in any PRULink Funds you choose and thereafter invest in multiples of 5% of the premium.

A percentage of your premium is used to buy units at the bid price[1] in the PRULink Fund or PRULink Funds you have chosen.

If the premiums are intended to be paid by cash, then the cash together with the proposal form should be submitted to the cashier, otherwise the proposal form should be accompanied by full payment in the form of a cheque or a banker's draft made payable to, or via telegraphic transfer to, Prudential Assurance Company Singapore (Pte) Limited.

If the premiums are intended to be paid with Supplementary Retirement Scheme ("**SRS**") monies, you should instruct the relevant SRS operator bank to withdraw from your SRS account monies in respect of the policy applied for.

If the premiums are intended to be paid with Central Provident Fund ("**CPF**") monies, you should instruct the CPF Board to withdraw from your CPF Ordinary Account ("**CPF-OA**") or CPF Special Account ("**CPF-SA**") (as the case may be) for credit to your CPF Investment Account with a CPF agent bank in respect of the policy applied for.

Units will generally be credited to your account only when the funds are cleared, although we may at our discretion issue units before receiving full payment in cleared funds.

For compliance with applicable anti-money laundering laws and guidelines, we or the Manager reserve the right to request such information as may, in the opinion of the Manager or its approved distributors, be necessary to verify the identity of an applicant.

6.3 Dealing Deadline and Pricing Basis

6.3.1 Pricing of PRULink Fund

Pricing of PRULink Funds is on a forward, bid-bid basis[1].

If we receive your premium:

a) by 3pm, we will use the bid price[1] calculated on the next Business Day; or
b) after 3pm, we will use the bid price[1] calculated on the second Business Day following the day we receive your premium/application.

<u>Example</u>

If we receive your premium by 3pm on Monday, we will use Tuesday's bid price[1] to buy units in your account. If we receive your premium after 3pm on Monday, we will use Wednesday's bid price[1].

[1]Note: The Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

6.4 Allotment of Units

Numerical example of units allotment:

$1,000	X	0%	=	$0
Your Initial Investment		Premium Charge*		Premium Charge

$1,000	-	$0	=	$1,000	÷	$1.00	=	1,000 units
Your Initial Investment		Premium Charge Amount		Net Investment Sum		Bid Price[1]		No. of units you will receive

** Please refer to the applicable Premium Charge in the Product Summary.*

7. Withdrawal of Units

7.1 How to Withdraw Units

You can make a partial or full withdrawal by asking us to sell some or all of the units in your account.

We will sell the units as soon as practicable after accepting the application.

7.2 Minimum Holdings Amount and Minimum Withdrawal Amount

The minimum withdrawal amount is S$1,000.

If you make a partial withdrawal, the remaining units in the account must be worth at least S$1,000 based on the bid price at the time of withdrawal. If not, you will not be able to make a partial withdrawal. To apply, you must use the appropriate application form and meet the conditions on it. We will notify you if we accept the application.

7.3 Dealing Deadline and Pricing Basis

Pricing of PRULink Funds is on a forward, bid-bid basis[1].
If we receive the withdrawal application:

a) by 3pm, we will use the bid price calculated on the next Business Day; or

b) after 3pm, we will use the or bid price calculated on the second Business Day following the day we receive the withdrawal application.

[1]Note: The Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

<u>Example</u>

If we receive the withdrawal application by 3pm on Monday, we will use Tuesday's bid price to sell units in the account. If we receive the withdrawal application after 3pm on Monday, we will use Wednesday's bid price.

7.4 Calculation of Withdrawal Proceeds

Numerical example of withdrawal value based on withdrawal of 1,000 units:

1, 000	X	$0.95	=	$950
Number of Units Withdrawn		Bid Price		Withdrawal Value

7.5 Settlement for Withdrawal

We will pay the withdrawal proceeds within:

- T+ 4 Business Days in respect of bond and money market funds; and
- T+ 6 Business Days in respect of funds other than bond and money market, property and hedge funds.

If you decide to surrender the policy invested in a money market and equity fund at the same time the payment of the withdrawal proceeds shall not be later than T+ 6 Business Days.

If we receive your withdrawal request with all the documents and information:

a) by 3pm, T will be on the same Business Day we receive your withdrawal request;

b) after 3pm, T will be the next Business Day after we receive your withdrawal request. It is also considered paid on the day your account is credited or a cheque is mailed to you.

8. Switching of PRULink Fund(s)

You can switch the units in your account into other PRULink Fund(s) that are available. The minimum amount allowed to switch out of a PRULink Fund is currently S$200. The remaining units in the PRULink Fund that you are switching from must be worth at least S$200 based on the bid price at the time of switching. If not, you must switch all the units out of the PRULink Fund.

To make the switch, we sell the units in the old PRULink Fund at the bid price of that PRULink Fund and buy units in the new PRULink Fund at its bid price.

We currently do not charge for fund switches. However, we reserve the right to levy an administration charge but will not do so before giving 30 days' written notice.

To apply for switching, you must use the appropriate application form and meet the conditions on it. We will notify you if we accept your application.

9. Obtaining Prices of Units

The valuation of the Fund is dependent on the Underlying Fund and is valued correspondingly with the Underlying Fund on each Business Day ("**Pricing Date**") to work out the unit price. Prices of the PRULink Funds* may currently be obtained from www.prudential.com.sg, or such other publications or media as may from time to time be available.

**The actual offer and bid prices are published at the end of the first Business Day after the relevant pricing date.*

We reserve the right to change the list of sources from which the unit price can be currently obtained. We shall not be responsible for any errors in the published prices or for any late or non-publication of the prices attributable to the publishers.

10. Suspension of Dealing

The Fund is not listed and you can withdraw your units only on Business Days. There is no secondary market for the units in the Fund. All withdrawal application should be submitted to the Product Provider.

We reserve the right to suspend immediately any issue, withdrawal, exchange or other dealing in relation to any of the PRULink Funds (or the units there under) if the Manager of the Fund or Investment Manager of the Underlying Fund (where applicable) suspends the issue, withdrawal, exchange or other dealing in the units or units of the Fund or the Underlying Fund, or if we are required to do so by the Investment Manager or the Manager or any other government or regulatory body, or at our reasonable discretion, including but not limited to the following situations:

(i) during any period when any market for any Material Proportion of the calculation of the value of units the Investments for the time being constituting the relevant Deposited Property is closed otherwise than for ordinary holidays;

(ii) during any period when dealings on any such market are restricted or suspended;

(iii) during any period when, in the opinion of the Manager, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the Fund or the realisation of any Material Proportion of the Investment for the time being constituting the relevant assets comprised in that PRULink Fund cannot be effected normally or without seriously prejudicing the interests of investors of that PRULink Fund as a whole;

(iv) during any period during which there is, in the opinion of the Manager, any breakdown in the means of communication normally employed in determining the value of any of the Investments or the amount of any cash for the time being comprised in the relevant Deposited Property or when for any other reason the value of any such Investment or the amount of any such cash or liability cannot be promptly and accurately ascertained, including any period when the fair value of a Material Proportion of the Investments for the time being constituting the relevant Deposited Property cannot be determined and for the purpose of this paragraph, “fair value” of an Investment is the price that the Fund would reasonably expect to receive upon a current sale of the Investment;

(v) during any period when, in the opinion of the Manager, the transfer of funds which will or may be involved in the realisation of any Material Proportion of the Investments for the time being constituting the relevant Deposited Property cannot be effected promptly at normal rates of the exchange;

(vi) where the PRULink Fund is a feeder fund or fund of funds, during any period when dealings in the units or units of the relevant fund or underlying fund(s) are restricted or suspended;

(vii) any period when dealing in units is suspended pursuant to any order or direction of the Authority;

(viii) any period when the business operations of the Product Provider/Manager in relation to the operation of the Fund or the Underlying Fund (as the case may be) is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of god;

and payment for any units of the Fund realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Product Provider so agree, be deferred until immediately after the end of such suspension. Such suspension shall take effect forthwith upon the declaration in writing thereof by the Product Provider and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist (and such cessation having been confirmed by the Manager). The Product Provider shall as soon as practicable after its declaration of any temporary suspension of realisation and of the termination of such suspension cause such information to be published on www.prudential.com.sg, or such other publications or media as may from time to time be available.

11. Soft Dollar Commissions or Arrangements

The Manager and, where applicable, the Investment Managers of the Underlying Funds (together, the “Relevant Parties”) may be entitled to receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund or the Underlying Funds (as the case may be). The Relevant Parties will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Relevant Parties shall not accept or enter into soft-dollar commission/arrangements unless (a) such soft-dollar commissions/arrangements would reasonably assist the Relevant Party concerned in the management of the Fund or the Underlying Funds (b) the Relevant Party shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

The Relevant Parties do not retain for its/their own account, cash or commission rebates arising out of transactions for the Fund or the Underlying Fund executed in or outside Singapore.

12. Conflicts of Interest

The Manager and the Investment Managers (where applicable) may own, hold, dispose or otherwise deal with units of the Fund or the Underlying Funds. In the event of any conflict of interest arising as a result of such dealing, the Manager and the Investment Managers (where applicable), following consultation, shall resolve such conflict in a just and equitable manner as they deem fit which would not prejudice the interests of investors. The Manager and the Investment Managers (where applicable) shall conduct all transactions with or for the Fund and the Underlying Funds on an arm's length basis.

The Manager and the Investment Managers (where applicable) and their respective associates (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Fund and the Underlying Funds. These include management of other funds, product development, investment operations services, IT services, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial and registrar services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Underlying Funds may invest. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Parties shall endeavour to ensure that it is resolved fairly and in the interest of investors.

13. Reports

The financial year-end of the PRULink Funds is 31 December of each year. You will receive the Semi-Annual Report and Annual Audited Report within 2 months and 3 months respectively from the last date of the period to which the report dates. The Semi-Annual Report and Annual Audited Report may also be obtained from www.prudential.com.sg.

14. Other Material Information

14.1 Right to Change Investment Objective

We and the Manager reserve the right to change the investment objective of the Fund from time to time. The Investment Managers of the Underlying Funds reserves the right to change the investment objectives of the Underlying Funds. However, 30 days' written notice will be given before doing so.

14.2 Right to Change Underlying Fund(s)

The Manager or the Product Provider may at its sole discretion replace the Underlying Funds, which may be subject to applicable regulatory approval having been obtained and 30 days' prior written notice having been provided to you.

14.3 Duties and Obligations

We may have to observe certain duties and obligations (which may require your co-operation and assistance):

- Under the agreements between us and the Manager, and
- Under certain statutory and regulatory requirements which may include but are not limited to notices and guidelines issued from time to time by various associations and authorities.

We may therefore require your co-operation, upon our request, to perform certain actions, so as to allow us to carry out these duties and obligations.

14.4 Distribution of Income and Capital

Distribution of income, net capital gains and/or capital of the Fund (where applicable) will be at the Manager's sole discretion. In the event where any distribution is made, such distribution will reduce the net asset value of the Fund.

Distributions out of capital is equivalent to a reduction or return of an investor's initial capital.

14.5 Investment Guidelines

14.5.1 The investment guidelines for non-specialised funds (i.e. the Non-Specialised Funds Investment Guidelines) issued by the Authority under the Code, which may be amended from time to time, shall apply to the Underlying Funds (unless otherwise waived, exempted or not applied by the Authority).

14.5.2 The Manager and Investment Managers will ensure compliance with the investment guidelines issued by the Authority and the insurer, which may be amended from time to time. We reserve the right to make changes to or to change the Fund and/ or Underlying Funds as may be necessary for the compliance with the investment guidelines. The investment guidelines stipulated by the authorities include but are not limited to the MAS 307 Investment-Linked Policies issued by the Authority.

14.6 Termination of PRULink Funds

We reserve the right to terminate immediately (upon giving written notice) any of the PRULink Funds if the Manager or the Investment Managers terminates the Fund or Underlying Fund, or if we are required to do so by the Manager or Investment Managers (where applicable) or any other government or regulatory body, or at our reasonable discretion, including but not limited to the following situations:

(i) on any date if on such date the value of the relevant assets comprised in that PRULink Fund is less than S$5 million or its equivalent in any applicable foreign currency;

(ii) if any law is passed or any direction is given by the Authority which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue that PRULink Fund or if any approval or authorization of that PRULink Fund is revoked or withdrawn;

(iii) if the Manager or Investment Manager(s) is of the view that it is not in the best interest of policyholders in that PRULink Fund to continue the PRULink Fund; or

(iv) in the event of the amalgamation, reconstruction, reorganization, dissolution, liquidation, merger or consolidation of any one of the funds within the relevant Underlying Fund(s) that is corresponding to that PRULink Fund, if any, or a change in the Investment Manager(s) of the relevant Underlying Fund or the corresponding fund (as the case may be).

If we terminate a PRULink Fund, we will sell units in that PRULink Fund based on the bid price calculated after liquidating all Investments in that PRULink Fund. Upon completion, we will return you the value of units in your account.

Schedule 1 – PRULink StrategicInvest Income Fund (Distribution)

a. Structure

PRULink StrategicInvest Income Fund is a single fund and classified as a Specified Investment Product. The Fund was launched on 5 August 2025. It feeds into the following Underlying Funds: Allianz Income and Growth, Amundi Funds – Income Opportunities and BlackRock Premier Funds Systematic Global Equity High Income Fund (the "Underlying Funds", each an "Underlying Fund") which may be subject to change at the discretion of the Manager. The Fund has a risk classification of Medium to High Risk.

The Fund offers two Classes of units, namely Singapore Dollar **("S$")** Distribution Class and US Dollar **("US$")** Distribution Class. There are no material differences between the S$ Accumulation Class and US$ Accumulation Class except the choice of different currency options. The difference in reference currency can impact investment returns which investors should consider before investing into the relevant share class. For more information on currency risk, please refer to Section 5 Risks.

Prudential Singapore may at its sole absolute discretion declare and pay out dividends on a monthly basis. Please refer to **Section G "Distribution Policy"** for more details.

Share classes	Reference Currency	Distribution Type	Underlying Fund(s)
PRULink StrategicInvest Income Fund (Distribution)	S$	Distribution	Allianz Income and Growth – H2 SGD AM Amundi Funds – Income Opportunities – SGD Hedged MTD 3 BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 SGD Hedged
PRULink StrategicInvest Income Fund (USD) (Distribution)	US$	Distribution	Allianz Income and Growth – USD AM Amundi Funds – Income Opportunities – USD MTD 3 BlackRock Premier Funds Systematic Global Equity High Income Fund – Class S10 USD

b. Investment Objective

The Investment Objective is to provide long term capital growth and income by investing in a diversified portfolio of Underlying Funds.

The Underlying Fund does not have a specific Environmental, Social and Governance matters,("ESG") or sustainable investment objective, however in evaluating and researching securities within the investment process ESG factors are considered.

c. Investment Strategy

The Fund will invest into Underlying Funds having differing investment strategies and objectives.

The Manager may from time to time at their sole discretion vary the percentage of assets of the Underlying Funds by utilizing a multi-manager approach to achieve its investment objective and enhance downside protection.

The asset allocation may vary depending on market conditions and outlook. There will be regular reviews and rebalancing of the portfolio to generate the most optimal combination of risk and return against the market outlook.

Due to the investment strategy of this Fund, there is no benchmark against which the performance of the Fund may be accurately measured hence the Fund is actively managed without reference to a benchmark.

Please refer to the Prospectus of the Underlying Funds for additional details relating to the Underlying Fund's Management Process.

d. Product Suitability

The Fund is only suitable for investors who:

- understand the risks of the Fund;
- understand the risk of losing some or all of the capital invested;
- plan to have a medium to long-term investment horizon;
- seek to generate income over the recommended holding period.

Investors may wish to speak to a Prudential Financial Consultant or Representative before making a commitment to invest in the Fund.

e. Performance of the Fund

The Fund was launched on **05 August 2025** and therefore there is no past performance record.

Expense Ratio of the Fund

The Fund was launched on **05 August 2025** and therefore there is no past performance record.

Turnover Ratio of the Fund

The Fund was launched on **05 August 2025** and therefore there is no past performance record.

Performance of the Underlying Fund Share classes as of 31 May 2025

Underlying Funds	Inception Date	1 Year	3 Years*	5 Years*	Since Inception*
Allianz Income and Growth –Class AMi3 Dis (H2-SGD)	16 October 2012	7.78%	6.85%	7.68%	7.13%
Allianz Income and Growth – Class AM (USD)	1 July 2013	5.98%	5.35%	6.67%	6.26%

** Annualised*

Source: Allianz Global Investors Singapore Limited

Please note for the performance returns for the exact share classes for Amundi Funds – Income Opportunities and BlackRock Premier Funds Systematic Global Equity High Income Fund are not available as they are created less than a year, at the point of this publication. The actual performance of the ILP Sub-Fund may deviate from the performance of the Underlying Fund as it is a proxy to the ILP Sub-Fund with one of the Underlying Funds.

Past performance of the Underlying Funds is not necessarily indicative of the future performance of the Fund.

Turnover Ratio[2] of the Underlying Fund Share classes

Underlying Funds	Turnover Ratio as at 30 September 2024
Allianz Income and Growth – Class AMi3 Dis (H2-SGD)	72.37%
Allianz Income and Growth – Class AM (USD)	72.37%

Source: Allianz Global Investors Singapore Limited

Underlying Funds	Turnover Ratio as at 30 April 2025
Amundi Funds – Income Opportunities - SGD Hedged MGI	59.19%
Amundi Funds – Income Opportunities - USD MGI	59.19%

Source: Amundi Luxembourg S.A. Please note the turnover ratios of the exact share classes are not available as they are created less than a year, and the main share class turnover ratio(s) is for reference only.

Underlying Fund	Turnover Ratio as at 30 September 2024
BlackRock Premier Funds Systematic Global Equity High Income Fund Class A6 USD	0.36%

Source: BlackRock Asset Management North Asia Limited. Please note the turnover ratios of the exact share classes are not available as they are created less than a year, and the main share class turnover ratio(s) is for reference only.

[2] The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over average net asset value of underlying assets over the average fund size. Average net asset value means the net asset value for each day averaged over, as far as possible, the same period used for calculating the expense ratio.

f. Fees

Fees payable directly by you

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread). This charge is reflected as the difference between the bid price and offer price of the Fund. The offer and bid prices are the buying and selling prices to you respectively. PRULink Funds are valued, and charges are deducted, on a forward pricing basis.

Note: Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information

* *Only applicable for some ILP products. Please refer to the Product Summary for details of charges incurred on your insurance plan as charges may vary from product to product and may be lower than 5%.*

Redemption Fee is not applicable

Fees payable by the Fund

Continuing Investment Charge

The continuing investment charge is currently 0.95% per annum. This charge is deducted from the asset value of the Fund on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to vary the continuing investment charge. Any increase in the continuing investment charge will be up to a maximum of 2% per annum but we will not do so before giving you 6 months' written notice.

Other Fees Payable by the Fund

The custodian fee is below 0.02% per annum, and it may vary depending on number and volume of transactions.

The offer and bid prices of the fund are net of these charges. Other charges are listed in the Product Summary.

g. Distribution Policy

(a) The Fund targets to make monthly distributions. The distribution shall be expressed in cents per unit. The Fund intends to make a distribution on or around the fifteenth Business Day in each month of every calendar year ("Declaration Date") or such other dates as the Fund may in its absolute discretion determine.

(b) For Singapore Dollar ("S$") Distribution Class, the distribution amount will be calculated based on the gross income amount. All payable hedging costs will be deducted from both capital and dividends.

(c) Investors who have invested in the Fund before the Declaration Date, will be entitled to distributions as long as they remain invested and have units credited and held in their accounts on the Declaration Date. Distributions shall be based on the number of units held by the investors as at the relevant Declaration Date as evidenced in our records. If an investor has made an application for any transactions (including surrender, withdrawal or switching), which is yet to be processed, the number of units meant to be processed will not be included in determining the distribution amount.

(d) For investment with cash ("Cash") or SRS, i.e., not using Central Provident Fund ("CPF"), investors may choose at the time of application for investment in the Fund to either receive all (but not part) of the distributions as payouts or to have all (but not part) of the distributions reinvested in the Fund to receive extra units.

(e) If investors wish to change the instructions for receiving distributions they must write in to inform us at least 30 days before the Declaration Date. Please note that any such election will automatically supersede all prior instructions relating to receiving distributions and shall apply to all of the units then held by them.

(f) If investors chose to receive the distributions as payouts, distributions will be credited to their designated bank account or sent to them via cheque within 45 days from the relevant Declaration Date ("Payout Date"). Prudential Singapore reserves the right to change the Payout Date.

(g) If investors chose to reinvest the distributions, extra units which will be credited into their account within 45 days from the relevant Declaration Date at bid price ("Reinvestment Date"). Prudential Singapore reserves the right to change the Reinvestment Date.

(h) If investors have chosen to receive the distributions as payouts, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Payout Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to the investors will be credited separately to their designated bank account or sent to them via cheque on the Payout Date.

(i) If investors have chosen to reinvest the distributions, for any of these transactions (including surrender, withdrawal and switching) performed by them between the Declaration Date and Reinvestment Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to them will be credited back into their account except for surrenders. For surrenders, distributions will be paid to investors by cheque.

(j) If investors have switched into another PRULink Fund between the Declaration Date and Reinvestment Date, they will receive the distributions which will be reinvested to the Fund.

(k) Investors may cancel the policy within the review period (i.e. 14 days after receiving the policy document). If the policy is incepted before the Declaration Date, and should investors decide to cancel the policy after the Declaration Date but before the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any). Any distributions due will be paid to investors on the Payout Date or Reinvestment Date (whichever is applicable).

(l) If investor’s policy is incepted before the Declaration Date, and should they decide to cancel the policy after the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any).

(m) If death or total and permanent disability of the insured occurs before the Declaration Date, they will not be entitled to the distributions. If death or total and permanent disability of the insured occurs between the Declaration Date and Payout Date or Reinvestment Date, they will be entitled to the unit value in the Fund at the prevailing bid price. Distributions due to investors will be paid to their estate on the Payout Date or Reinvestment Date (whichever is applicable).

Please note the Distribution only applies to the Distribution Share class of the Fund.

Distribution payments shall, at the sole discretion of Prudential Singapore, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c).

Distributions are at the discretion of Prudential Singapore and there is no guarantee, assurance and/or certainty that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance / distribution of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. Prudential Singapore may also vary the frequency and/ or amount for distributions made.

Investors should also note that distributions of the Fund may, in the event that income and net capital gains are insufficient, or due to fluctuations in exchange rates, be made out of the capital of the Fund. The exchange rates used will be determined solely at the discretion of Prudential Singapore. When distributions are declared and paid out (including out of capital) with respect to the Fund, the net assets of the Fund will reduce by an amount equivalent to the distributions declared. This will be reflected as a reduction in the unit price.

Appendix 1 – Additional Disclosure relating to China Investment Risk

The Underlying Fund may invest in the Equity Markets and/or Debt Securities Markets of the PRC. There are numerous and varied risks associated with such an investment which are referred to as the "China Investment Risk". Independent if the Underlying Fund invests in the Equity Markets and/or in the Debt Securities Markets of the PRC, the following risks are generally associated with such an investment, in the PRC:

Foreign Institutional Investor ("FII") Risk

The Underlying Fund may invest in securities and investments permitted to be held or made by FII under the relevant FII Regulations through institutions that have obtained FII status in China. In addition to the general investment and equity related risks of investments including in particular the Emerging Markets risks, the following risks should be emphasised:

Regulatory Risks

The FII regime is governed by FII Regulations. Certain parts of the Management Company meet the relevant prescribed eligibility requirements under the FII Regulations and have been granted or might be granted a FII license. FII Regulations may be amended from time to time. It is not possible to predict how such changes would affect the Underlying Fund. Rules on investment restrictions and rules on repatriation of principal and profits, imposed by the Chinese government on the FII may be applicable to the latter as a whole and not only to the investments made by the Underlying Fund and may have an adverse effect on the Underlying Fund's liquidity and performance.

FII Investments Risks

Investors should be aware that there can be no assurance that a FII will continue to maintain its FII status and/or that redemption requests can be processed in a timely manner due to changes in FII Regulations. Therefore, the Underlying Fund may no longer be able to invest directly in the PRC or may be required to dispose of its investments in the PRC domestic securities market held by the FII, which could have an adverse effect on its performance or result in a significant loss. Regulatory sanctions may be imposed on the FII if the FII itself or the local custodian breach any provision of the relevant rules and regulations. Such restriction may result in a rejection of applications or a suspension of dealings of the Underlying Fund. Should the FII lose its FII status or retire or be removed, the Underlying Fund may not be able to invest in FII Eligible Securities, and the Underlying Fund may be required to dispose of its holdings, which would likely have a material adverse effect on the Underlying Fund.

Limits on Redemption

The Underlying Fund may be impacted by the rules and restrictions under the FII regime (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. Currently, no regulatory prior approval is required for repatriation of funds from the FII. However, the FII Regulations are subject to uncertainty in their application and there is no certainty that no other regulatory restrictions will apply or that repatriation restrictions will be imposed in the future. Although the relevant FII Regulations have recently been revised to relax regulatory restrictions on the onshore capital management by FIIs (including removing investment quota limit and simplifying process for repatriation of investment proceeds), it is a very new development therefore subject to uncertainties as to how well it will be implemented in practice, especially at the early stage.

Any restrictions on repatriation of the invested capital and net profits may impact on the Underlying Fund's ability to meet redemption requests from the investors. In extreme circumstances, the Underlying Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to FII investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

PRC Depositary Risks under the FII regime

Where the Underlying Fund invests in fixed income securities and/or eligible securities through the FII, such securities will be maintained by a local custodian pursuant to PRC regulations through appropriate securities accounts and such other relevant depositories in such name as may be permitted or required in accordance with PRC law. The Underlying Fund may incur losses due to the acts or omissions of the PRC Depositary in the execution or settlement of any transaction. The Depositary will make arrangements to ensure that the relevant PRC Depositary has appropriate procedures to properly safe-keep the assets of the Underlying Fund. The securities accounts are to be maintained and recorded in the joint name of the FII and the Underlying Fund and segregated from the other assets of the same local custodian. However, the FII Regulations are subject to the interpretation of the relevant authorities in the PRC. Any securities acquired by the Underlying Fund held by the FII will be maintained by the PRC Depositary and should be registered in the joint names of the FII and the Underlying Fund and for the sole benefit and use of the Underlying Fund. Providing that the FII will be the party entitled to the securities, the related security may be vulnerable to a claim by a liquidator of the FII and may not be as well protected as if they were registered solely in the name of the Underlying Fund. In addition, investors should note that cash deposited in the cash account of the Underlying Fund with the relevant local custodian will not be segregated but will be a debt owing from the local custodian to the Underlying Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of that local custodian. In the event of bankruptcy or liquidation of the local custodian, the Underlying Fund will not have any proprietary rights to the cash deposited in such cash account, and the Underlying Fund will become an unsecured creditor, ranking equal with all other unsecured creditors, of the local custodian. The Underlying Fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the Underlying Fund will suffer losses.

PRC Broker Risks under the FII regime

The execution and settlement of transactions may be conducted by PRC Brokers appointed by the FII, as the case may be. There is a risk that the Underlying Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Underlying Fund may be adversely affected in the execution or settlement of any transaction. In selection of PRC Brokers, the FII will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the FII, as the case may be, consider appropriate and if under market or operational constraints, it is possible that a single PRC Broker will be appointed, and the Underlying Fund may not necessarily pay the lowest commission or spread available in the market at the relevant time.

PRC Tax Provision Risk

If no or inadequate provision for potential withholding tax is made and, in the event, that the PRC tax authorities enforce the imposition of such withholding tax, the Net Asset Value of the Underlying Fund may be adversely affected. For any withholding tax made in respect of trading of PRC securities, it may reduce the income from, and/or adversely affect the performance of, the Underlying Fund. With respect to CIBM, the amount withheld (if any) will be retained by the Investment Manager for the account of the Underlying Fund until the position with regard to PRC taxation in respect of gains and profits from trading via the CIBM has been clarified. In the event that such position is clarified to the advantage of the Underlying Fund, the Umbrella Fund may rebate all or part of the withheld amount to Underlying Fund. The withheld amount (if any) so rebated shall be retained by the Underlying Fund and reflected in the value of its units. Notwithstanding the foregoing, no investors who redeemed his/her units before the rebate of any withheld amounts shall be entitled to claim any part of such rebate. It should also be noted that the actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. Any increased tax liabilities on the Underlying Fund may adversely affect the

Underlying Fund's value. As such, any provision for taxation made by the Investment Manager for the account of the relevant Underlying Fund may be excessive or inadequate to meet final PRC tax liabilities. Consequently, investors of the Underlying Fund may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their units in/from the Underlying Fund. If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Underlying Fund may suffer more than the tax provision amount as that Underlying Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Investors will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, Investors who have redeemed units in the Underlying Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new Investors may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the Underlying Fund as assets thereof. Investors should seek their own tax advice on their own tax position with regard to their investment in the Underlying Fund. It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

RMB Risk

Investors should be aware that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, RMB is traded in PRC ("CNY") and outside PRC ("CNH"). RMB traded in PRC, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside the PRC, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the respective daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China ("PBOC") each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely. While CNY and CNH represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly, from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB. There is no assurance that RMB will not be subject to devaluation, in which case the value of investors' investments in RMB assets will be adversely affected. Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of the Underlying Fund. The PRC government's policies on exchange controls and repatriation restrictions are subject to change, and the Underlying Fund's and its investors' position may be adversely affected by such change. With regard to Underlying Fund's share classes denominated in RMB investors, who invest in the Underlying Fund's share classes, should pay particular attention to this risk warning.

The Underlying Fund may invest into the Equity Markets of the PRC and the following risks apply additionally:

Investing in China A-Units Risk

The securities market in the PRC, including China A-Units, may be more volatile, and unstable (for example, due to the risk of suspension /limitation in trading of a particular stock or government intervention) than markets in more developed countries and has potential settlement difficulties. This may result in significant fluctuations in the prices of securities traded in such market and thereby affecting the prices of units of the Underlying Fund. Investment in the PRC remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity.

Utilising Stock Connect Programmes Risk

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Underlying Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Units listed on the SSE by routing orders to the SSE. Under the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

Under the Shanghai-Hong Kong Stock Connect, the Underlying Fund, through their Hong Kong brokers may trade certain eligible units listed on the SSE (“SSE Securities”). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Units that are not included as constituent stocks of the relevant indices, but which have corresponding H-Units listed on SEHK, except the following:

– SSE-listed units which are not traded in RMB;

– SSE-listed units which are included in the “risk alert board”; and

– SSE-listed units which are subject to delisting process or the listing of which has been suspended by SSE.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota (“Daily Quota”). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Underlying Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Units listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect investors in the PRC will be able to trade certain stocks listed on the SEHK.

Under the Shenzhen-Hong Kong Stock Connect, the Underlying Fund, through their Hong Kong brokers may trade certain eligible units listed on the SZSE (“SZSE Securities”). These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB6 billion and all SZSE-listed China A-Units which have corresponding H Units listed on the SEHK except for the following:

– SZSE-listed units which are not traded in RMB;

– SZSE-listed units which are included in the “risk alert board”; and

– SZSE-listed units which are subject to delisting process or the listing of which has been suspended by SZSE.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade units that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

HKSCC, a wholly owned subsidiary of the Hong Kong Exchanges and Clearing Limited, and ChinaClear will be 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/or investors. The China A-Units traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A-Units.

Although HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the unit registrar for SSE and SZSE listed companies will still treat HKSCC as one of the investors when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

SSE/SZSE listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will inform the Hong Kong Central Clearing and Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of proposed resolutions.

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE Securities. Further information about the trading fees and levies is available online at the website:

http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Underlying Fund's assets in the PRC through its global custody network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

The Underlying Fund may invest in China A-Units via the Stock Connect. In addition to the general investment and equity related risks including Emerging Markets risks and risks regarding RMB, the following risks should be emphasised:

Quota Limitations

The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to the Underlying Fund and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Underlying Fund's ability to invest in China A units through the Stock Connect on a timely basis, and the Underlying Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE and SZSE units in respect of the Funds are held by the Depositary/ sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE units, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Funds as the beneficial owners of the SSE and SZSE units through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore, the exact nature and methods of enforcement of the rights and interests of the Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE units will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC’s securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC’s liabilities in SSE and SZSE Securities under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the Underlying Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary, for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is affected, the Underlying Fund’s ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connect only operates 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. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Underlying Fund cannot carry out any China A-Units trading via the Stock Connect. The Underlying Fund may be subject to a risk of price fluctuations in China A-Units during the time when any of the Stock Connect is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any unit, there should be sufficient units in the account; otherwise, the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Units sell orders of its participants (i.e., the stockbrokers) to ensure there is no over-selling. If the Underlying Fund intends to sell certain China A-Units it holds, it must transfer those China A-Units to the respective accounts of its broker(s) before the market opens on the day of selling (“trading day”). If it fails to meet this deadline, it will not be able to sell those units on the trading day. Because of this requirement, the Underlying Fund may not be able to dispose of its holdings of China A-Units in a timely manner.

Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Underlying Fund's ability to access the China A-Units market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The current regulations relating to Stock Connect are relatively new and subject to continuous evolvement. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The Underlying Fund may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

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

Risks associated with the ChiNext Market

The Underlying Fund may invest in the ChiNext Board of the SZSE ("ChiNext Board"). Investments in the ChiNext Board may result in significant losses for the Underlying Fund and its investors. The following additional risks apply:

Higher Fluctuation on Stock Prices

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

Over-Valuation Risk

Stocks listed on the ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating units.

Differences in Regulations

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and unit capital than those in the Main Board.

Delisting Risk

It may be more common and faster for companies listed on the ChiNext Board to delist. This may have an adverse impact on the Underlying Fund if the companies that it invests in are delisted.

Risk associated with Small-Capitalisation / Mid-Capitalisation Companies

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Taxation Risk

Investments via the Stock Connect are subject to PRC's tax regime. The PRC State Administration of Taxation has reaffirmed the application of normal Chinese stamp duty and a 10% dividend withholding tax, while the value-added tax and income tax on capital gains are temporarily exempted for an unspecified period. The tax regime may change from time to time and the Underlying Fund is, thus, subject to such uncertainties in their PRC tax liabilities.

<u>RMB Currency Risk in relation to Stock Connect</u>

China A-Shares are priced in RMB and the Underlying Fund will need to use RMB to trade and settle SSE/SZSE Securities. There may be associated trading costs involved in dealing with SSE/SZSE Securities. Mainland Chinese government controls future movements in exchange rates and currency conversion. The exchange rate floats against a basket of foreign currencies; therefore, such exchange rate could fluctuate widely against the USD, HKD or other foreign currencies in the future. In particular, any depreciation of RMB will decrease the value of any dividends and other proceeds an investor may receive from its investments. Further, investors should note that CNY may trade at a different rate compared to CNH. The Underlying Fund's investments may be exposed to both the CNY and the CNH, and the Underlying Fund may consequently be exposed to greater exchange risks and/or higher costs of investment. The PRC government's policies on exchange control are subject to change, and the Underlying Fund may be adversely affected.

The Underlying Fund may invest into the Bond Markets of the PRC the following risks apply additionally:

<u>Bond Connect</u>

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" issued by the People's Bank of China ("PBOC") on 21 June 2017,

(ii) the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" issued by the Shanghai Head Office of PBOC on 22 June 2017; and

(iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link. Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC. Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and/or the Shanghai Clearing House). All debt securities traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such debt securities as a nominee owner.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The Underlying Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. To the extent that the Underlying Fund transacts in the China Interbank Bond Market, the Underlying Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Underlying Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Underlying Fund is subject to the risks of default or errors on the part of such third parties. Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Underlying Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Underlying Fund's ability to achieve its investment objective will be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Underlying Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, the Underlying Fund may invests in the China Interbank Bond Market through Bond Connect, such the Underlying Fund may be subject to risks of delays inherent in the order placing and/or settlement systems.

China Interbank Bond Market

Overview

Participation in CIBM by foreign institutional investors (where such is mentioned in the investment restrictions of the Underlying Fund) via a foreign access regime (e.g. FII program, CIBM Initiative and/or Bond Connect) is governed by rules and regulations as promulgated by the Mainland Chinese authorities, i.e., the PBOC and the State Administration of Foreign Exchange ("SAFE"). Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the "Announcement (2016) No 3" issued by the PBOC on 17 February 2016;

(ii) the "Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets" issued by the Shanghai Head Office of PBOC on 27 May 2016;

(iii) the "Circular concerning the Foreign Institutional Investors' Investment in Interbank bond market in relation to foreign currency control" issued by SAFE on 27 May 2016; and

(iv) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in CIBM via CIBM Initiative may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance and repatriation, foreign investors (such as the Umbrella Fund) may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM. An investor needs to file relevant information about its investments with the Shanghai Head Office of PBOC through the onshore settlement agent and an updated filing may be required if there is any significant change to the filed information. Where the Umbrella Fund repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%.

Taxation Risk

According to Circular 108, the foreign institutional investors are temporarily exempt from PRC CIT and VAT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in China specifically relating to the PRC bond market will not be promulgated in the future.

Risks Associated with China Interbank Bond Market

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. Tthe Underlying Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. To the extent that the Underlying Fund transacts in the CIBM, the Underlying Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Underlying Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. Since the relevant filings and account opening for investment in the CIBM via CIBM Initiative have to be carried out via the onshore settlement agent, the Underlying Fund is subject to the risks of default or errors on the part of the onshore settlement agent. Investing in the CIBM via a foreign access regime (e.g. FII program, CIBM Initiative and/or Bond Connect) is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the Underlying Fund’s ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Underlying Fund may suffer substantial losses as a result.

Credit Rating Agency Risk

The credit appraisal system in the PRC and the rating methodologies employed in the PRC may be different from those employed in other markets. Credit ratings given by PRC rating agencies may therefore not be directly comparable with those given by other international rating agencies.

RMB Debt Securities Risk

Investors should be aware that the availability of RMB-denominated Debt Securities issued or distributed outside PRC is currently limited and therefore is more susceptible to volatility and illiquidity. The operation of the RMB-denominated Debt Securities market as well as new issuances could be disrupted, causing a fall in the NAV of the Underlying Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalization of the CNH market by the relevant regulators. If there are insufficient RMB-denominated Debt Securities for the Underlying Fund to invest in, the Underlying Fund may hold a significant portion of assets in RMB deposit accounts and/or RMB-denominated certificates of deposit issued by financial institutions. These circumstances may have an adverse impact on the performance of the Underlying Fund. For RMB-denominated Debt Securities issued, listed or traded outside PRC (e.g. on the Central Moneymarkets Unit in Hong Kong), market depth may be limited, potentially resulting in reduced liquidity or even partial illiquidity of such securities. The Underlying Fund may suffer loss in trading such securities, in particular in circumstances where the Underlying Fund may have to liquidate such investments at a discount in order to meet redemption requests. The Underlying Fund may not be able to sell the securities at the time desired. In addition, the bid and offer spread of the price of RMB-denominated Debt Securities may be large. Therefore, the Underlying Fund may incur significant trading and realisation costs and may suffer significant losses when selling such investments. Investments in RMB-denominated Debt Securities are also subject to the general risks of investing in bonds, including, but not limited to interest-rate risks, creditworthiness risk, company specific risk, general market risk, risk of default and counterparty risk. RMB-denominated Debt

Securities are typically unsecured debt obligations and are not supported by any collateral. Investments in such securities will expose the Underlying Fund to the credit/insolvency risk of its counterparties as an unsecured creditor. RMB-denominated Debt Securities may be unrated. In general, debt instruments that have a lower credit rating or that are unrated may be more susceptible to the credit risk of the issuer. Investments in Debt Securities issued by companies or bodies established within PRC may be affected by PRC tax policies. Current tax laws and regulations may also be amended or revised at any point in time and without prior notice to investors. Such amendments and revisions may also take effect on a retrospective basis, with a potentially adverse impact on such investments. The Underlying Fund may invests in the onshore Debt Securities which may be traded on the Shanghai or Shenzhen Stock Exchange or on the interbank bond markets. Investors should note that the securities markets in PRC generally and the onshore bond markets in particular are both at a developing stage and the market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes in PRC's debt markets may result in prices of securities traded on such markets fluctuating significantly and may result in substantial volatility in the Net Asset Value of the Underlying Fund. The bid and offer spreads of the prices of the Mainland Chinese Debt Securities may be large, so significant trading and realization costs may be incurred. The national regulatory and legal framework for capital markets and debt instruments in PRC are still developing when compared with those of developed countries. Currently, PRC entities are undergoing reform with the intention of increasing liquidity of debt instruments. However, the effects of any development or reform on the PRC debt markets remain to be seen. The PRC bond markets are also subject to regulatory risks. Debt Securities may only be bought from, or sold to, the Underlying Fund from time to time where the relevant Debt Securities may be sold or purchased on the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the CIBM, as appropriate. Given that the bond markets are considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of the Underlying Fund's units may also be disrupted.

GLOSSARY OF TERMS

“ABS”	means Asset-backed Security
“Authority”	means the Monetary Authority of Singapore.
“Article 31 of the Law”	means Article 31 of the Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment
“Business Day”	means any day other than Saturday or Sunday on which commercial banks in Singapore are generally open for business, or where the context expressly requires, any day other than Saturday or Sunday on which commercial banks in Singapore or elsewhere are generally open for business, or any other day as the Manager and the Trustee (where applicable) may agree in writing.
“CCASS”	means Hong Kong Central Clearing and Settlement System
“CFETS”	means China Foreign Exchange Trade System & National Interbank Funding Centre
“CGT”	means Capital Gains Tax
“China” or “PRC”	means the People’s Republic of China
“ChinaClear”	means China Securities Depository and Clearing Corporation Limited
“China Interbank Bond Market” or “CIBM”	means the Mainland China interbank bond markets of the PRC
“Class”, “Classes” or “Unit classes”	means any Class of Units attributable to a particular Sub-Fund, as the Manager may from time to time designate, as further described in the section "Classes and Form of Units".
“CMO”	means Collateralised Mortgage Obligation
“CoCos”	means Contingent Convertible Bonds
“CPF-OA”	means CPF Ordinary Account
“CPF-SA”	means CPF Special Account
“CSRC”	means the China Securities Regulatory Commission of the PRC or its successors which is the regulator of the securities and futures market of the PRC
“CSSF”	means Commission de Surveillance du Secteur Financier
“Custodian”	means Citibank N.A.
“Debt Securities”	means any security which bears interest, including, but not limited to, government bonds, Money Market Instruments, mortgage bonds and similar foreign asset-backed securities issued by financial institutions,

	public-sector bonds, floating-rate notes, instruments with loss-absorption features (including, but not limited to contingent convertible bonds), convertible debt securities, corporate bonds, ABS and MBS, as well as other collateralised bonds. Convertible debt securities include, but are not limited to, convertible bonds, bonds with warrants and/or equity warrant bonds. Debt securities also include index certificates and other certificates with a risk profile that typically correlates with the aforementioned assets or with the investment markets to which these assets can be allocated, as well as non-interest bearing securities such as zero coupon bonds.
"Deposits"	means time deposits and/or deposits at sight with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a member state of the European Union or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Commission de Surveillance du Secteur Financier as equivalent to those laid down in EU law.
"DVP"	means Delivery Versus Payment
"Emerging Markets"	means a country which is not classified by the World Bank as a high-income economy (high gross national income per capita)
"EPM"	means Efficient Portfolio Management
"Equities"	means all equities and similar securities, including but not limited to, preference units, convertible preference units, equity warrants, depositary receipts (e.g. American depositary receipts, global depositary receipts), REIT equities, REIT units, equity linked notes, warrants to subscribe for equities. Equities also include index certificates, equity certificates, other comparable certificates and equity baskets as well as assets whose risk profile correlates with the relevant equity or with the investment markets to which these assets can be allocated.
"ESG"	means Environmental, Social and Governance matters
"ESMA"	means European Securities and Markets Authority
"EU"	means European Union
"Eurozone"	means Any member state of the European Monetary Union (EMU) including, as at the date of this Singapore Prospectus: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain
"FATCA"	means Foreign Account Tax Compliance Act
"FII"	means Foreign Institutional Investor

“HKD”	means the lawful currency of Hong Kong
“HKSCC”	means Hong Kong Securities Clearing Company Limited
“MBS”	means Mortgage-backed Securities
“NAV”	means Net Asset Value.
“OTC”	means Over-The-Counter
“PBOC”	means the People’s Bank of China in the PRC
“P-Notes”	means Participatory Notes
“PRULink Fund”	means any one of the PRULink Funds that is available to Prudential Singapore policyholders.
“PRULink Funds”	means the whole range of investment-linked funds that are available to Prudential Singapore policyholders.
“RDVP”	means Real time Delivery Versus Payment
“S$” or “SGD”	means the lawful currency of Singapore
“SAFE”	means the State Administration of Foreign Exchange of the PRC
“SAT”	means State Administration of Taxation
“SEHK”	means the Stock Exchange of Hong Kong
“SPSA”	means Special Segregated Account
“SPV”	means Special-Purpose vehicle
“SRS”	means the scheme referred to by the Ministry of Finance as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time.
“SSE”	means the Shanghai Stock Exchange
“Stock Connect”	means each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and collectively the “Stock Connects”
“SZSE”	means the Shenzhen Stock Exchange
“TRS”	means Total Return Swaps
“UCI”	means Undertakings for Collective Investment
“UCITS”	means Undertakings for Collective Investment in Transferrable

	Securities
“US$” or “USD”	means the lawful currency of the United States of America

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