



AXA WORLD FUNDS

(the "Sicav")

A Luxembourg Société d'Investissement à Capital Variable

Registered Office: 49, avenue J. F. Kennedy
L-1855 Luxembourg
Commercial Register: Luxembourg, B-63.116

10 October 2017

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav have decided to introduce the following changes to the Hong Kong offering documents (comprising the Hong Kong Offering Memorandum and the Product Key Facts Statements).

I. Revamp of the Hong Kong Offering Memorandum

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The Directors have decided to revamp the Hong Kong Offering Memorandum such that the disclosure is presented in a clearer, more reader-friendly, concise and effective manner. The Product Key Facts Statements are also revised accordingly. In particular, the disclosure on the investment objectives and policies of the sub-funds has been enhanced for better clarity as set out in Annex 1 to this letter. For the avoidance of doubt, there is no change to the current investment objectives and policies and risk profiles of the sub-funds or the manner they are being managed.

* *

The revised Hong Kong offering documents reflecting the change mentioned in this letter, will be available in due course, free of charge, at the office of the Hong Kong Representative and by contacting us online at: www.axa-im.com.hk. Shareholders should note that the website has not been reviewed by the SFC.

Shareholders in Hong Kong may contact the Hong Kong Representative, AXA Rosenberg Investment Management Asia Pacific Limited, at 57/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong (Tel: (852) 2285 2000) should you have any questions.

The Board of Directors of the Sicav accepts responsibility for the accuracy of the contents of this document.

Yours faithfully,

The Board of Directors
AXA World Funds

Annex 1

Unless otherwise specified, capitalised terms used in the table below shall have the meanings ascribed to them in the respective versions of the Hong Kong Offering Memorandum.

| Sub-fund | Investment objective and policy in the current Hong Kong Offering Memorandum | Investment objective and policy in the revamped Hong Kong Offering Memorandum | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p>Framlington Europe Real Estate Securities</p> | <p>The objective of Framlington Europe Real Estate Securities is to achieve long-term capital growth. The Sub-Fund will seek to achieve its objectives by investing permanently at least two thirds of the total assets of the Sub-Fund in transferable securities issued by companies, engaged in the real estate industry, domiciled or which exercise the preponderant part of their economic activities in Europe.</p> <p>This strategy combines the “bottom-up” research process which aims for a strict selection of securities and to a lesser extent the “top-down” method in view of geographical asset allocation.</p> <p>The Sub-Fund’s portfolio is invested in listed securities of the real estate industry and which are mainly negotiated on Regulated Markets in the Member States. On an ancillary basis, investments may be made on markets outside the EU.</p> <p>Notwithstanding the limits set forth in the section “Investment Restrictions” of the Offering Memorandum, the Sub-Fund may not invest more than 5% of its net assets in UCITS and/or other UCI.</p> <p>For hedging and efficient portfolio management purposes, this Sub-Fund may also expose itself to such companies through the use of derivative instruments within the limits set forth in the section “Investment Restrictions”.</p> <p>The Sub-Fund may use securities financing transactions (“SFT”) such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> <p>The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. 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The Sub-Fund invests mainly in securities that are negotiated on EU’s regulated markets. On an ancillary basis, the Sub-Fund may invest on markets outside the EU.</p> <p>The Sub-Fund may invest in equity securities of any market capitalisation (including small and micro-sized companies).</p> <p>The Sub-Fund may invest up to 5% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>All derivatives usage will be consistent with the terms in “More about Derivatives and Efficient Portfolio Management”.</p> <p>The Sub-Fund may use SFTs in relation but not limited to equities as part of efficient portfolio management, within the limits indicated in the table below. 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| <p>Framlington Global Real Estate Securities</p> | <p>The objective of Framlington Global Real Estate Securities is to achieve long term capital growth. The Sub-Fund will seek to achieve its objectives by permanently investing at least two thirds of the total assets of the Sub-Fund in transferable securities issued by companies worldwide engaged in the real estate industry.</p> <p>This strategy combines a "bottom-up" research process which aims at selecting securities and to a lesser extent a "top-down" approach in view of geographical and thematic asset allocation.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For hedging and efficient portfolio management purposes, this Sub-Fund may also expose itself to equities, equity related securities, bonds, any fixed income instruments, indexes and currencies, through the use of derivative instruments within the limits set forth in the section "Investment Restrictions".</p> <p>The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> <p>The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.</p> <table border="1" data-bbox="375 1832 837 2042"> <tr> <td>Type of transaction</td> <td>Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this</td> <td>The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value</td> </tr> </table> | Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value | <p>Objective</p> <p>To seek long-term growth of your investment, in EUR, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in equities of real estate companies anywhere in the world.</p> <p>Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in transferable securities issued by companies engaged in the real estate sector.</p> <p>The Sub-Fund may invest in equity securities of any market capitalisation (including small and micro-sized companies).</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>The Sub-Fund may expose itself via derivatives to equities, equity-related securities, bonds and other fixed income instruments, indexes and currencies.</p> <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not limited to equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.</p> <table border="1" data-bbox="880 1854 1385 2042"> <tr> <td>Type of transaction</td> <td>Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher</td> <td>The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset</td> </tr> </table> | Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset | | | | | | |
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| Framlington Euro Relative Value | <p>The objective of Framlington Euro Relative Value is to achieve long-term capital growth. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing in all cap companies, principally in large and medium sized companies based in the Euro zone and not more than 10% of the assets of the Sub-Fund in companies not based in the Euro zone.</p> <p>The Investment Manager will invest at all times at least 66% of the total assets of the Sub-Fund in equities denominated in Euro.</p> <p>The Sub-Fund may invest not more than one third of its assets in Money Market Instruments and up to 10% of its assets in convertible and straight bonds, including, but not limited to, sovereign debt securities that might be issued by or guaranteed by any single country (including its government a public or local authority of that country) with a credit rating below investment grade and/or unrated.</p> <p>There is no formal restriction on the proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For hedging and efficient portfolio management purposes, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions".</p> <p>The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> | <p>Objective</p> <p>To seek long-term growth of your investment, in EUR, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests mainly in equities of large and medium sized companies based in the Eurozone.</p> <p>Specifically, at all times the Sub-Fund invests at least 66% of net assets in equities that are denominated in EUR. The Sub-Fund may invest up to 10% of net assets in companies not based in the Eurozone. The Sub-Fund may invest in equity securities of any market capitalisation (including small and micro-sized companies).</p> <p>The Sub-Fund may invest up to one-third of net assets in money market instruments and up to 10% in bonds, including convertible bonds and Sub-Investment Grade and/or unrated sovereign debt securities issued or guaranteed by any single country.</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not limited to bonds and equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

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| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below | | | | | | | | | | | | | | | | | | | | | | | | |
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| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| Framlington Europe Opportunities | <p>The objective of Framlington Europe Opportunities is to achieve long-term capital growth. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing primarily in companies domiciled or listed in the European geographical area. Investment selection is performed with particular emphasis on securities of listed European companies through a relatively concentrated portfolio chosen on the basis of outlook for those companies rather than on a country or sector basis. The Sub-Fund may invest at all times at least 75% of its total assets in companies which are domiciled or carry out a large portion of their economic activity in the European geographical area.</p> <p>Attention to the investor who are tax resident in France is made on the eligibility of the Sub-Fund to the French PEA account, meaning that the Sub-Fund is permanently invested for a minimum of 75% in securities or right eligible to the PEA (for indicative purpose, at the date of the Offering Memorandum, the Sub-Fund shall invest a minimum of 75% in equities or rights issued by companies having their registered office in the European Economic Area).</p> <p>There is no formal restriction on the</p> | <p>Objective</p> <p>To seek long-term growth of your investment, in EUR, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests primarily in companies domiciled or listed in the European geographical area.</p> <p>Specifically, at all times the Sub-Fund invests at least 75% of net assets in PEA eligible equities and rights issued by companies that are registered in the EEA. The Sub-Fund may invest in equity securities of any market capitalisation (including small and micro-sized companies).</p> <p>The Sub-Fund may invest up to 10% of net assets in units of UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not</p> | | | | | | | | | | | | | | | | | | | | | | | | |

| | <p>proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market or sector.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For hedging and efficient portfolio management purposes, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions".</p> <p>The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> <p>The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. 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The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile. On a tactical basis, a portion of the Sub-Fund is invested in companies offering opportunities presented by merger & acquisition, management change, spin-off and asset disposal activities.</p> | Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. 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| Securities lending | Approximately 20% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| Securities borrowing | Approximately 20% | Maximum 50% | | | | | | | | | | | | | | | | | | | | | | | | |
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| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| Framlington American Growth | <p>The objective of Framlington American Growth is to achieve long term capital growth. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing at all times at least two thirds of its total assets in equities and equity related instruments issued by all cap companies domiciled or which exercise the preponderant part of their economic activities in the Americas, including the US,</p> | <p>Objective</p> <p>To seek long-term growth of your investment, in USD, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in equities of American companies (including companies in the United States of America, Canada and Mexico) of any capitalisation, that, the investment manager</p> | | | | | | | | | | | | | | | | | | | | | | | | |

Canada and Mexico, which, in the Investment Manager's opinion, show above average profitability, management quality and growth.

The Sub-Fund may invest not more than one third of its total assets in Money Market Instruments and up to 10% of its assets in convertible and straight bonds, including, but not limited to, sovereign debt securities that might be issued by or guaranteed by any single country (including its government a public or local authority of that country) with a credit rating below investment grade and/or unrated..

Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.

For hedging and efficient portfolio management purpose, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions". Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective.

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

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|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to bonds and equities.

believes, appear to offer above-average profitability and growth prospects.

Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in equities and equity-related securities of companies that are domiciled or do most of their business in the Americas.

The Sub-Fund may invest up to one-third of net assets in money market instruments and up to 10% in bonds, including convertible bonds and Sub-Investment Grade and/or unrated sovereign debt securities issued or guaranteed by any single country.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

Use of Derivatives and SFTs

The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to bonds and equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

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|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

Management Process

The investment manager uses a strategy that combines macro-economic, sector and companies specific analysis. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, profitability, growth prospects and risk/return profile.

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| | <p>Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.</p> | | | | |
| <p>Framlington Emerging Markets</p> | <p>The objective of Framlington Emerging Markets is to achieve long term capital growth. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing at all times at least two thirds of its total assets in equities and equity related instruments issued by companies domiciled or which exercise the preponderant part of their economic activities in emerging markets. Investment is made in developing countries in companies which, in the Investment Manager's opinion, show above average profitability, management quality and growth.</p> <p>Emerging market countries are defined as follows: (i) countries that are generally considered low or middle income countries by the World Bank and (ii) countries which are included in any recognized emerging market index.</p> <p>The Sub-Fund may invest up to 10% of its net assets in China A-Shares (i.e. securities issued by companies incorporated in the People's Republic of China ("PRC") and listed on stock exchanges in the PRC) through the Shanghai-Hong Kong Stock Connect ("Stock Connect") which is a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC and Hong Kong.</p> <p>The Sub-Fund may invest not more than one third of its total assets in Money Market Instruments and up to 10% of its assets in convertible and straight bonds, including, but not limited to, sovereign debt securities that might be issued by or guaranteed by any single country (including its government a public or local authority of that country) with a credit rating below investment grade and/or unrated.</p> <p>There is almost no formal restriction on the proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For hedging and efficient portfolio management purpose, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions". Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective.</p> <p>The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing,</p> | <p>Objective</p> <p>To seek long-term growth of your investment, in USD, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in equities of companies in emerging markets.</p> <p>Specifically, the Sub-Fund invests at least two-thirds of net assets in equities and equity-related securities of companies that are domiciled or do most of their business in emerging countries. Emerging countries are generally considered low or middle income countries by the World Bank or countries included in any recognised emerging market index. Investment is made in developing countries in companies which in the investment manager's opinion, show above average profitability, management quality and growth. The Sub-Fund may invest in equity securities of any market capitalisation (including small and micro-sized companies).</p> <p>The Sub-Fund may invest up to one-third of net assets in money market instruments, up to 10% in A Shares listed in the Shanghai Hong Kong Stock Connect and up to 10% in bonds, including convertible bonds and Sub-Investment Grade and/or unrated sovereign debt securities that might be issued or guaranteed by any single country (including its government and any public or local authority there).</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not limited to bonds and equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.</p> <table border="1" data-bbox="884 1809 1385 2033"> <tr> <td data-bbox="884 1809 1007 2033">Type of transaction</td> <td data-bbox="1007 1809 1217 2033">Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. 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repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

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|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to bonds and equities.

Securities lending/borrowing and repurchase/ reverse repurchase agreements shall be carried out as part of efficient portfolio management.

| | of the Sub-Fund's NAV indicated in the right-hand column | |
|-------------------------------------------|----------------------------------------------------------|--------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

Management Process

The investment manager uses a strategy that combines macro-economic, sector and companies specific analysis. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.

Framlington Global Convertibles

The objective of Framlington Global Convertibles is to achieve capital growth by investing in convertible securities markets. The Investment Manager will seek to achieve the objectives of Framlington Global Convertibles by investing at all times at least two thirds of its total assets in convertible securities from issuers located anywhere in the world. The convertible securities selection will be focused on fundamental criteria (equity value and credit rating of the securities), the issuer's credit rating and on convertible securities that the Investment Manager has identified as undervalued.

There is no formal restriction on the proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market or sector.

The Sub-Fund will invest at least 51% in investment grade convertible securities, taking into account that the Sub-Fund may invest up to 49% in securities rated sub-investment grade.

Objective

To seek medium to long-term growth of your investment from an actively managed convertible security portfolio.

Investment Strategy

The Sub-Fund invests in convertible securities of issuers anywhere in the world that, the investment manager believes, appear to have undervalued credit ratings.

Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in convertible securities of which the underlying shares may be issued by companies of any capitalisation or sector. The Sub-Fund invests at least 51% of net assets in Investment Grade convertible securities, taking into account that the Sub-Fund may invest up to 49% of net assets in Sub-Investment Grade securities.

However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or

| | <p>Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated, then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager, securities will be sold within 6 months. If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.</p> <p>The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.</p> <p>The Sub-Fund will invest in convertible bonds of which the underlying shares might be issued by all capitalizations of any economic sector.</p> <p>The Sub-Fund may invest up to 1/3 of the total assets in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade (as defined above).</p> <p>The Sub-Fund may also invest in listed equity, equity related securities and not more than one third of its assets in Money Market Instruments.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For efficient portfolio management and both for hedging and investment purposes, this Sub-Fund may also expose itself to equities, equity related securities, bonds, any fixed income instruments and indexes, through the use of derivative instruments within the limits set forth in the section "Investment Restrictions". The Sub-Funds shall invest in listed or Over the Counter (OTC) financial derivatives instrument including, but not limited to, options, swaps, credit derivatives, futures and warrants. Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective. The Sub-Fund may also hedge against any currencies, through the use of listed or OTC derivative instruments within the limits set forth in the section "Investment Restrictions".</p> | <p>the second highest of three ratings depending on how many ratings are available. If securities are unrated, they must be judged equivalent to those levels by the investment manager. In case of a credit downgrade below the minimum, securities will be sold within 6 months.</p> <p>The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the investment manager.</p> <p>The Sub-Fund may invest up to one-third of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are Sub-Investment Grade or are unrated.</p> <p>The Sub-Fund may invest in listed equities and equity-related securities, and up to one-third of net assets in money market instruments.</p> <p>The Sub-Fund may invest up to 10% of net assets in units of UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management, hedging and investment. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>The Sub-Fund uses derivatives for partially hedging the currency risk.</p> <p>Derivatives may also be used for such purposes as:</p> <ul style="list-style-type: none"> • adjusting credit exposures (credit default swaps (CDSs)) • gain exposure to or hedge against equities, equity-related securities, bonds and other fixed income instruments, indices and currencies <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not limited to bonds and equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. 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| Securities | Approximately 25% | Maximum 100% | | | | | | |

| | <p>The Sub-Fund, however, is not using financial derivative instruments extensively for investment purposes.</p> <p>The Investment Manager will also hedge part of the currency risks.</p> <p>The Sub-Fund may use securities financing transactions (“SFT”) such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> <p>The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.</p> <table border="1" data-bbox="376 757 833 1272"> <thead> <tr> <th>Type of transaction</th> <th>Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column</th> <th>The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below :</th> </tr> </thead> <tbody> <tr> <td>Securities lending</td> <td>Approximately 25%</td> <td>Maximum 100%</td> </tr> <tr> <td>Securities borrowing</td> <td>Approximately 25%</td> <td>Maximum 50%</td> </tr> <tr> <td>Repurchase /reverse repurchase agreements</td> <td>Approximately 10%</td> <td>Maximum 100%</td> </tr> </tbody> </table> <p>The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds and equities.</p> <p>Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.</p> | Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column | The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below : | Securities lending | Approximately 25% | Maximum 100% | Securities borrowing | Approximately 25% | Maximum 50% | Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% | <table border="1" data-bbox="880 199 1391 376"> <tr> <td>lending</td> <td></td> <td></td> </tr> <tr> <td>Securities borrowing</td> <td>Approximately 25%</td> <td>Maximum 50%</td> </tr> <tr> <td>Repurchase/ reverse repurchase agreements</td> <td>Approximately 10%</td> <td>Maximum 100%</td> </tr> </table> <p>Management Process</p> <p>The investment manager uses a strategy that combines macro-economic, sector and issuer selection. The securities selection process relies on a rigorous analysis of the companies’ business model, management quality, growth prospects and risk/return profile.</p> | lending | | | Securities borrowing | Approximately 25% | Maximum 50% | Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |
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| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column | The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below : | | | | | | | | | | | | | | | | | | | | | |
| Securities lending | Approximately 25% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | |
| Securities borrowing | Approximately 25% | Maximum 50% | | | | | | | | | | | | | | | | | | | | | |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | |
| lending | | | | | | | | | | | | | | | | | | | | | | | |
| Securities borrowing | Approximately 25% | Maximum 50% | | | | | | | | | | | | | | | | | | | | | |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% | | | | | | | | | | | | | | | | | | | | | |
| Framlington Health | <p>The objective of Framlington Health is to achieve long term capital growth. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing permanently at least two thirds of the total assets of the Sub-Fund in equities and equity related instruments issued by companies engaged in healthcare and medical services and product worldwide. Investments will be in producers of pharmaceuticals, biotechnology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers and other healthcare services companies.</p> <p>Notwithstanding the limits set forth in the</p> | <p>Objective</p> <p>To seek long-term growth of your investment, in USD, from an actively managed listed equity, equity-related securities and derivatives portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in equities of companies anywhere in the world that are in the healthcare sector.</p> <p>Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in equities and equity-related securities of pharmaceuticals producers, biotechnology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers and other healthcare services</p> | | | | | | | | | | | | | | | | | | | | | |

section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.

For hedging and efficient portfolio management purposes, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions".

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's net asset value indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below : |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to equities.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.

companies. The Sub-Fund may invest in equity securities of any market capitalisation.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

Use of Derivatives and SFTs

The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

Management Process

The investment manager uses a strategy that combines macro-economic, sector and company specific analysis. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.

Asian Short Duration Bonds

The objective of the Asian Short Duration Bonds is to seek performance through dynamic exposure to the Asian fixed income market by investing at least two-thirds of its total assets in short duration debt securities issued in the Asian debt universe.

The Investment Manager will seek to achieve the objective of the Sub-Fund by investing at least two-thirds of its total assets in short duration transferable debt securities (including but not limited to fixed or floating rate bonds with fixed maturity and callable bonds) issued in the Asian fixed income

Objective

To seek performance of your investment, in USD, from an actively managed Asian short duration bond portfolio.

Investment Strategy

The Sub-Fund invests in Asian short duration bonds issued by Asian governments, public or private companies and supra-national entities that are denominated in hard currency (hard currencies are globally traded major currencies, including but not limited to, USD, EUR, AUD, CAD, JPY, CHF, GBP).

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| | <p>market.</p> <p>The Sub-Fund will invest in transferable debt securities issued by Asian countries governments, corporations, public or private companies and supra-national entities in hard currency (hard currencies are globally traded major currencies, including but not limited to US dollar, Euro, Australian dollar, Canadian dollar, Japanese yen, Swiss franc and British pound). The Sub-Fund will invest in transferable debt securities mainly rated investment grade (i.e. at least 51% of its net assets). The Sub-Fund may also invest up to 49% of its assets in such transferable debt securities rated sub-investment grade (i.e. high yield debt securities). The Investment Manager anticipates that the average duration of the Sub-Fund will generally be three years or less. The Sub-Fund may invest up to 100% in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, public or local authority of that country) which is sub-investment grade.</p> <p>The Sub-Fund may invest up to 15% of its assets in bonds in local currency. Out of the 15% limit, the Sub-Fund may invest up to 10% of its assets in bonds denominated in offshore Renminbi ("RMB").</p> <p>Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated (i.e. neither the security itself nor its issuer has a credit rating) then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated (i.e. neither the security itself nor its issuer has a credit rating) then deemed to be so by the Investment Manager. In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated (i.e. neither the security itself nor its issuer has a credit rating) then deemed to be so by the Investment Manager, securities will be sold within 6 months. If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.</p> <p>The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.</p> <p>The Sub-Fund may also invest not more than one-third of its total assets in Money Market Instruments.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions", the Sub-</p> | <p>Specifically, the Sub-Fund invests at least two-thirds of net assets in Asian short duration transferable debt securities (including but not limited to fixed or floating rate bonds with fixed maturity and callable bonds). The Sub-Fund may invest up to 15% of net assets in bonds denominated in local currency and, out of this limit, up to 10% of net assets in securities denominated in offshore RMB.</p> <p>The investment manager anticipates that the average duration of the Sub-Fund will generally be 3 years or less.</p> <p>The Sub-Fund invests mainly in Investment Grade securities (i.e. at least 51% of net assets). The Sub-Fund may also invest up to 49% of net assets in Sub-Investment Grade securities (i.e. high yield securities). However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent ratings by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated (i.e. neither the security itself nor its issuer has a credit rating), they must be judged equivalent to those levels by the investment manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months.</p> <p>The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the investment manager.</p> <p>The Sub-Fund may invest up to 100% of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are Sub-Investment Grade.</p> <p>The Sub-Fund may invest up to one-third of net assets in money market Instruments.</p> <p>The Sub-Fund may invest up to 10% of net assets in units of UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and hedging. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes. Derivatives may include options, swaps, credit derivatives (such as credit default swaps (CDS), futures and Forex forwards).</p> <p>All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".</p> <p>The Sub-Fund may use SFTs in relation but not limited to bonds as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.</p> |
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Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.

For efficient portfolio management and hedging purposes, this Sub-Fund may use derivative instruments within the limits set forth in the section "Investment Restrictions". The Sub-Fund shall invest in Over the Counter (OTC) financial derivatives instruments including, but not limited to, options, swaps, credit derivatives (such as credit default swap), futures and forex forwards. Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective. The Sub-Fund, however, is not using financial derivative instruments extensively for investment purposes.

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's net asset value indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below : |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

For clarification, it is the current intention of the Investment Manager to enter into securities lending transactions and repurchase or reverse repurchase agreement transactions for less than 30% of the net asset value of the Sub-Fund in aggregate.

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

For clarification, it is the current intention of the investment manager to enter into securities lending transactions and repurchase or reverse repurchase agreement transactions for less than 30% of net assets in aggregate.

Management Process

The investment manager selects investments based on a number of factors, including macro- and microeconomic analysis and credit analysis of issuers. The investment manager also manages the Interest Rate Sensitivity, the yield curve positioning and the exposure to different geographical areas.

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| | portfolio management. | |
| Global Inflation Bonds | <p>The objective of the Global Inflation Bonds is to seek performance through dynamic exposure mainly to inflation-linked bonds issued in the OECD. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing at all times at least two thirds of its total assets in a diversified portfolio consisting of inflation-linked bonds rated investment grade or sub-investment grade issued by OECD governments, corporations or public institutions worldwide.</p> <p>The Investment Manager may invest the remaining assets in any other debt securities rated investment grade or sub-investment grade which are not inflation-linked to reduce its exposure to inflation-linked bonds in anticipation of periods of lower inflation. The Sub-Fund may invest 100% of the total assets in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating sub-investment grade and/or unrated. The Sub-Fund will invest at least 90% of its net assets in investment grade debt securities and less than 10% of net assets in sub-investment grade debt securities (i.e. the aggregate amount of both inflation-linked bonds and non-inflation linked bonds).</p> <p>Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager, securities will be sold within 6 months. If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.</p> <p>The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.</p> <p>Furthermore, the Sub-Fund may invest less than one third of its assets in Money Market Instruments.</p> <p>The Sub-Fund will be managed with an interest rate sensitivity ranging from 5 to 15</p> | <p>Objective</p> <p>To seek performance of your investment, in EUR, from an actively managed inflation-linked bond portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests mainly in inflation-linked bonds issued in the OECD.</p> <p>Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in inflation-linked bonds issued by governments, public institutions or companies in the OECD countries. The remaining part of the portfolio may be invested in debt securities that are not inflation-linked to reduce its exposure to inflation-linked bonds in anticipation of periods of lower inflation.</p> <p>The Sub-Fund invests at least 90% of net assets in Investment Grade securities and less than 10% in Sub-Investment Grade securities. However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated (i.e. neither the security itself nor its issuer has a credit rating), they must be judged equivalent to those levels by the investment manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months.</p> <p>The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the investment manager.</p> <p>The Sub-Fund may invest up to 100% of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are Sub-Investment Grade or unrated.</p> <p>The Sub-Fund may invest up to one-third of net assets in money market instruments.</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs that are managed by an AXA IM group entity and that do not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lowest of available ratings. If securities are unrated, they must be judged equivalent to those levels by the investment manager of such UCITS and/or UCIs.</p> <p>The Sub-Fund is managed within Interest Rate Sensitivity ranging from 5 to 15 years.</p> <p>The Sub-Fund may enter into repurchase agreements up to 10% of net assets to borrow bonds in order to sell them.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient</p> |

years. The sensitivity is an indicator measuring the impact of a variation of 1% of the market interest rate on the value of the Sub-Fund. There is no formal restriction on the proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market. Notwithstanding the limits set forth in the sections "Securities Lending Activities" and "Repurchase Agreement Transactions" of the Hong Kong Offering Memorandum, each time the Sub-Fund enters into transactions pursuant to which it will borrow bonds via repurchase agreements in order to sell them, such sales may not engage more than 10% of its net assets. For the avoidance of doubt, the transactions referred to above may not be considered as short selling within the meaning of Article 52 of the Law of 2010.

The Sub-Fund will invest not more than 10% of its net assets in units of UCITS and/or UCIs. Such UCITS and/or UCIs are managed only by the Management Company or any other AXA IM group entity and will themselves not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch (the lowest rating will be considered) or if unrated then deemed to be so by the investment manager of such UCITS and/or UCIs.

For both efficient portfolio management and extensively investment purposes, the Sub-Fund may gain exposure to or hedge against any fixed income instruments and indexes, through the use of listed or Over The Counter (OTC) derivative instruments within the limits set forth in the section "Investment Restrictions". In order to meet the investment objectives the Sub-Fund may make extensive use of various financial derivative instruments to reduce risks or costs or to generate additional capital or income. Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective. The Sub-Fund may also hedge against any currencies, through the use of listed or OTC derivative instruments within the limits set forth in the section "Investment Restrictions".

No specific strategy relating to financial derivative instruments is adopted by the Management Company and the Investment Manager of the Sub-Fund.

The global exposure of the Sub-Fund is up to 200% of the net asset value of the Sub-Fund. As part of this, the exposure resulting from the use of financial derivative instruments, i.e. the maximum level of leverage, is up to 100% of the net asset value of the Sub-Fund, and is calculated by the commitment methodology (including netting and hedging arrangements).

For clarification, as the Sub-Fund may borrow up to 10% of its net asset value on a temporary basis, and if this is included in the

portfolio management and investment. The Sub-Fund is currently using derivatives extensively for investment purposes.

The Sub-Fund may use derivatives for such purposes as:

- hedging currency risk within the portfolio (futures, currency forwards, currency swaps)
- adjusting exposure to various types or maturities of bonds and sectors (futures, buying calls and puts on interest rate futures, interest rate swaps)
- adjusting exposure to inflation (inflation swaps)
- adjusting specific credit exposures (single-name or index credit default swaps (single name CDS and CDS index).

Such derivatives with underlying indexes will not have significant rebalancing costs. In exceptional market conditions, the single-issuer exposure of an underlying index could be over 20%, and as high as 35%, especially where, for example, on a specific regulated market or monetary market, the reference index may be concentrated and one issuer of such reference index may be largely dominant on its market of reference.

The global exposure of the Sub-Fund is up to 200% of its net asset value. As part of this, the exposure resulting from the use of derivatives, i.e. the maximum level of leverage, is up to 100% of the net asset value of the Sub-Fund, and is calculated by the commitment methodology (including netting and hedging arrangements). For clarification, as the Sub-Fund may borrow up to 10% of net assets on a temporary basis, and this is included in the calculation of global exposure, the global risk may not exceed 210% of the net asset value of the Sub-Fund.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to bonds as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase | Approximately 10% | Maximum 10% |

| | <p>calculation of global exposure, the global risk may not exceed 210% of the net asset value of the Sub-Fund.</p> <p>The Sub-Fund may use securities financing transactions (“SFT”) such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.</p> <p>The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.</p> <table border="1" data-bbox="376 696 834 1211"> <thead> <tr> <th data-bbox="376 696 496 1032">Type of transaction</th> <th data-bbox="496 696 683 1032">Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column</th> <th data-bbox="683 696 834 1032">The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below :</th> </tr> </thead> <tbody> <tr> <td data-bbox="376 1032 496 1077">Securities lending</td> <td data-bbox="496 1032 683 1077">Approximately 25%</td> <td data-bbox="683 1032 834 1077">Maximum 100%</td> </tr> <tr> <td data-bbox="376 1077 496 1122">Securities borrowing</td> <td data-bbox="496 1077 683 1122">Approximately 25%</td> <td data-bbox="683 1077 834 1122">Maximum 50%</td> </tr> <tr> <td data-bbox="376 1122 496 1211">Repurchase /reverse repurchase agreements</td> <td data-bbox="496 1122 683 1211">Approximately 10%</td> <td data-bbox="683 1122 834 1211">Maximum 10%</td> </tr> </tbody> </table> <p>The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds.</p> <p>Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.</p> | Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column | The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below : | Securities lending | Approximately 25% | Maximum 100% | Securities borrowing | Approximately 25% | Maximum 50% | Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 10% | <table border="1" data-bbox="884 203 1393 271"> <tr> <td data-bbox="884 203 1007 271">agreements</td> <td data-bbox="1007 203 1214 271"></td> <td data-bbox="1214 203 1393 271"></td> </tr> </table> <p>Management Process</p> <p>The investment manager selects investments based on a number of factors, including macro and microeconomic analysis and inflation trends. The investment manager also manages the positioning on the inflation-linked yield curve, the Interest Rate Sensitivity and the exposure to different geographical areas.</p> | agreements | | |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------|----------------------|-------------------|-------------|-------------------------------------------|-------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|--|
| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund’s net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund’s net asset value indicated in the right-hand column | The principal amount of the Sub-Fund’s assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund’s net asset value indicated below : | | | | | | | | | | | | | | | |
| Securities lending | Approximately 25% | Maximum 100% | | | | | | | | | | | | | | | |
| Securities borrowing | Approximately 25% | Maximum 50% | | | | | | | | | | | | | | | |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 10% | | | | | | | | | | | | | | | |
| agreements | | | | | | | | | | | | | | | | | |
| <p>Universal Inflation Bonds</p> | <p>The objective of the Universal Inflation Bonds is to seek performance through dynamic exposure mainly to inflation-linked bonds issued in the OECD and emerging markets. The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing at all times at least two thirds of its total assets in inflation-linked bonds rated investment grade or sub-investment grade issued by governments, corporations or public institutions worldwide seeking to benefit from the rising wealth of emerging economies through a diversified approach.</p> <p>The Investment Manager may invest the remaining assets in other debt securities rated investment grade or sub-investment grade which are not inflation-linked to reduce its exposure to inflation-linked bonds in anticipation of periods of lower inflation.</p> | <p>Objective</p> <p>To seek performance of your investment, in USD, from an actively managed inflation-linked bond portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in Investment Grade inflation-linked bonds issued anywhere in the world, while seeking to benefit from the rising wealth of emerging economies.</p> <p>Specifically, the Sub-Fund invests at least two-thirds of net assets in inflation-linked bonds issued by governments, public institutions and companies. The remaining part of the portfolio may be invested in any other debt securities which are not inflation-linked to reduce its exposure to inflation-linked bonds in anticipation of periods of lower inflation.</p> | | | | | | | | | | | | | | | |

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| | <p>The Sub-Fund may invest 100% of the total assets in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating sub-investment grade and/or unrated. The Sub-Fund will invest at least 90% of its net assets in investment grade debt securities and less than 10% of net assets in sub-investment grade debt securities (i.e. the aggregate amount of both inflation-linked bonds and non-inflation linked bonds).</p> <p>Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager, securities will be sold within 6 months. If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.</p> <p>The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.</p> <p>Furthermore, the Sub-Fund may invest not more than one third of its assets in Money Market Instruments.</p> <p>The Sub-Fund will invest not more than 10% of its net assets in units of UCITS and/or UCIs. Such UCITS and/or UCIs are managed only by the Management Company or any other AXA IM group entity and will themselves not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch (the lowest rating will be considered) or if unrated then deemed to be so by the investment manager of such UCITS and/or UCIs.</p> <p>For both efficient portfolio management and extensively investment purposes, the Sub-Fund may gain exposure to or hedge against any fixed income instruments and indexes, through the use of listed or Over The Counter (OTC) derivative instruments within the limits set forth in the section "Investment Restrictions". In order to meet the investment objectives the Sub-Fund may make extensive use of various financial derivative instruments to reduce risks or</p> | <p>The Sub-Fund invests at least 90% of net assets in Investment Grade securities and up to 10% in Sub-Investment Grade securities. However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated (i.e. neither the security itself nor its issuer has a credit rating), they must be judged equivalent to those levels by the investment manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months. The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the investment manager.</p> <p>The Sub-Fund may invest up to 100% of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are Sub-Investment Grade or are unrated.</p> <p>The Sub-Fund may invest up to one-third of net assets in money market instruments.</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs that are managed by an AXA IM group entity and that do not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lowest of available ratings. If securities are unrated, they must be judged equivalent to those levels by the investment manager of such UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and investment. The Sub-Fund is currently using derivatives extensively for investment purposes.</p> <p>The Sub-Fund may use derivatives for such purposes as:</p> <ul style="list-style-type: none"> • hedging currency risk within the portfolio (futures, currency forwards, currency swaps) • adjusting exposure to various types or maturities of bonds and sector (futures, buying calls and puts on interest rate futures, interest rate swaps) • adjusting exposure to inflation (inflation swaps) • adjusting specific credit exposures (single-name or index credit default swaps (single name CDS and CDS index)) <p>Such derivatives with underlying indexes will not have significant rebalancing costs. In exceptional market conditions, the single-issuer exposure of an underlying index could be over 20%, and as high as 35%, especially where, for example, on a specific regulated market or monetary market, the reference index may be concentrated and one issuer of such reference index may be largely</p> |
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costs or to generate additional capital or income. Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective. The Sub-Fund may also hedge against any currencies, through the use of listed or OTC derivative instruments within the limits set forth in the section "Investment Restrictions".

No specific strategy relating to financial derivative instruments is adopted by the Management Company and the Investment Manager of the Sub-Fund.

The global exposure of the Sub-Fund is up to 200% of the net asset value of the Sub-Fund. As part of this, the exposure resulting from the use of financial derivative instruments, i.e. the maximum level of leverage, is up to 100% of the net asset value of the Sub-Fund, and is calculated by the commitment methodology (including netting and hedging arrangements).

For clarification, as the Sub-Fund may borrow up to 10% of its net asset value on a temporary basis, and if this is included in the calculation of global exposure, the global risk may not exceed 210% of the net asset value of the Sub-Fund.

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's net asset value indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below : |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds.

dominant on its market of reference.

The global exposure of the Sub-Fund is up to 200% of its net asset value. As part of this, the exposure resulting from the use of derivatives, i.e. the maximum level of leverage, is up to 100% of the net asset value of the Sub-Fund, and is calculated by the commitment methodology (including netting and hedging arrangements). For clarification, as the Sub-Fund may borrow up to 10% of net assets on a temporary basis, and this is included in the calculation of global exposure, the global risk may not exceed 210% of the net asset value of the Sub-Fund.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to bonds as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

Management Process

The investment manager selects investments based on a number of factors, including macro and microeconomic analysis and inflation trends. The investment manager also manages the positioning on the inflation-linked yield curve, the Interest Rate Sensitivity and the exposure to different geographical areas.

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| | <p>Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.</p> | |
| <p>US High Yield Bonds</p> | <p>The objective of the US High Yield Bonds is to achieve a high income and long term capital growth by investing in fixed and floating rate securities. The Investment Manager will seek to achieve the objective of the Sub-Fund by investing permanently at least two thirds of the total assets of the Sub-Fund in a broadly diversified portfolio of fixed income transferable debt securities issued by public or private companies domiciled in the United States and rated non-investment grade (i.e., rated lower than BBB- by Standard & Poor's or lower than Baa3 by Moody's or, if unrated, then deemed to be so by the Investment Manager).</p> <p>The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.</p> <p>The Investment Manager will not invest more than one third of the assets of the Sub-Fund in securities domiciled or listed in Canadian or European markets.</p> <p>The Sub-Fund may invest up to 1/3 of the total assets in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated.</p> <p>The Sub-Fund may invest not more than one third of its total assets in Money Market Instruments, not more than one quarter of its assets in convertible securities, and not more than one tenth of its assets in equity.</p> <p>Notwithstanding the limits set forth in the section "Investment Restrictions" the Sub-Fund will not invest more than 10% of its net assets in UCITS and/or other UCI.</p> <p>For efficient portfolio management and both for hedging and investment purposes, this Sub-Fund may also expose or hedge itself to any fixed income instruments and indexes, through the use of derivative instruments within the limits set forth in the section "Investment Restrictions". The Sub-Funds shall invest in listed or Over the Counter (OTC) financial derivatives instrument including, but not limited to, options, swaps, credit derivatives (such as credit default swap), futures, Forex forwards and warrants. The Sub-Fund may enter into CDS index transactions having or not a</p> | <p>Objective</p> <p>To seek high income and long-term growth of your investment, in USD, from an actively managed bond portfolio.</p> <p>Investment Strategy</p> <p>The Sub-Fund invests in Sub-Investment Grade corporate bonds (high yield bonds) that are issued by US companies.</p> <p>Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in Sub-Investment Grade fixed income transferable debt securities issued by private or public companies domiciled in the United States. If securities are unrated (i.e. neither the security itself nor its issuer has a credit rating), they must be judged equivalent to those levels by the investment manager.</p> <p>The Sub-Fund may invest up to one-third of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are Sub-Investment Grade or are unrated.</p> <p>The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the Investment manager.</p> <p>The Sub-Fund may invest up to one-third of net assets in securities domiciled or listed in Canadian or European markets.</p> <p>The Sub-Fund may also invest in the following, up to the portion of net assets shown:</p> <ul style="list-style-type: none"> • money market instruments: one-third • convertible securities: one-quarter • equities: one-tenth <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management and investment. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>Derivatives may include credit default swaps (single name CDS and CDS index).</p> <p>Such derivatives with underlying indexes will not have significant rebalancing costs. In exceptional market conditions, the single-issuer exposure of an underlying index could be over 20%, and as high as 35%, especially where, for example, on a specific regulated market or monetary market, the reference index may be concentrated and one issuer of such reference index may be largely dominant on its market of reference.</p> |

rebalancing of the underlying index. In case of rebalancing of the underlying index, the costs will not be significant. The underlying index of such CDS index transactions may have a single component exceeding 20% with a maximum up to 35% in case of exceptional market conditions. Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objective. The Sub-Fund may also hedge against any currencies, through the use of listed or OTC derivative instruments within the limits set forth in the section "Investment Restrictions".

The Sub-Fund, however, is not using financial derivative instruments extensively for investment purposes.

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's net asset value indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below : |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximately 10% | Maximum 100% |

The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds and equities.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to bonds and equities as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximately 25% | Maximum 100% |
| Securities borrowing | Approximately 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximately 10% | Maximum 100% |

Management Process

The investment manager selects investments based on a number of factors, including macro and microeconomic analysis and credit analysis of issuers. The investment manager also manages the credit curve positioning and the exposure to different sectors.

Emerging Markets Short Duration

The objective of the Emerging Markets Short Duration Bonds is to seek performance through dynamic exposure mainly to short duration debt securities issued in the

Objective

To seek performance, in USD, from an actively managed short duration emerging debt securities portfolio.

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| <p>Bonds</p> | <p>emerging debt universe.</p> <p>The Investment Manager will seek to achieve the objectives of the Sub-Fund by investing mainly (i.e. at least 51% of the Sub-Fund's net assets) in short duration transferable debt securities (including but not limited to fixed or floating rate bonds with fixed maturity and callable bonds) issued in the emerging debt universe worldwide (including but not limited to Brazil, Russia, Turkey, China, Colombia, Mexico, Kazakhstan, Argentina, Croatia, Panama, Hungary, Arab Emirates, South Africa, Chile, Kuwait, Peru, Sri Lanka, Costa Rica, Indonesia, Serbia, Romania, India, Kenya, Lithuania, Poland, Dominican Republic, Pakistan, Latvia, Philippines, Qatar, Egypt). For the avoidance of doubt, there is no credit rating criteria for the Sub-Fund's investment in high yield debt securities, and hence, the Sub-Fund may invest up to 100% of its net assets in debt securities which is sub-investment grade or unrated (i.e. neither the security itself nor its issuer has a credit rating).</p> <p>The Sub-Fund will invest in transferable debt securities issued by emerging countries governments, corporations, public or private companies and supra-national entities in non-local currency. The Investment Manager anticipates that the average duration of the Sub-Fund's investments will generally be three years or less.</p> <p>The Sub-Fund may invest up to 15% of its assets in bonds in local currency.</p> <p>The Sub-Fund may invest up to 100% in sovereign debt securities but it is not intended that the Sub-Fund will invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, public or local authority of that country) which is sub-investment grade.</p> <p>Typically, the Sub-Fund may invest up to one-third of its total assets in money market instruments for cash flow management purposes. In anticipation of or during unfavourable market conditions, the Sub-Fund may defensively hold up to 49% of its net assets in money market instruments.</p> <p>The Sub-Fund will not invest in equity and equity related instruments.</p> <p>The Sub-Fund will invest not more than 10% of its net assets in units of UCITS and/or other UCIs.</p> <p>For efficient portfolio management and both for hedging and investment purposes, this Sub-Fund may also expose itself to such assets through the use of derivative instruments if the derivative contracts concern interest rates, foreign exchange or financial indices consistent with the Sub-Fund's investment objectives and are within the limits set forth in the section "Investment</p> | <p>Investment Strategy</p> <p>The Sub-Fund invests in short duration bonds from emerging markets.</p> <p>Specifically, the Sub-Fund invests mainly (i.e. at least 51% of net assets) in transferable debt securities (including but not limited to fixed or floating rate bonds with fixed maturity and callable bonds) that are issued by governments, supranational entities, private or public companies in emerging countries (including but not limited to Brazil, Russia, Turkey, China, Colombia, Mexico, Kazakhstan, Argentina, Croatia, Panama, Hungary, Arab Emirates, South Africa, Chile, Kuwait, Peru, Sri Lanka, Costa Rica, Indonesia, Serbia, Romania, India, Kenya, Lithuania, Poland, Dominican Republic, Pakistan, Latvia, Philippines, Qatar, Egypt) in non-local currencies. For the avoidance of doubt, there is no credit rating criteria for the Sub-Fund's investment in high yield debt securities, and hence, the Sub-Fund may invest up to 100% of net assets in debt securities which is Sub-Investment Grade or unrated (i.e. neither the security itself nor its issuer has a credit rating).</p> <p>The Sub-Fund may invest up to 15% of net assets in local currency bonds.</p> <p>The Sub-Fund may invest up to 100% in sovereign debt securities but it is not the current intention that the Sub-Fund will invest more than 10% of net assets in Sub-Investment Grade securities issued or guaranteed by any single country (including its government, public or local authority of that country).</p> <p>Typically, the Sub-Fund may invest up to one-third of net assets in money market instruments for cash flow management purposes. In anticipation of or during unfavourable market conditions, the Sub-Fund may defensively hold up to 49% of net assets in money market instruments.</p> <p>The Sub-Fund's average duration is expected to be three years or less.</p> <p>The Sub-Fund does not invest in equity and equity-related instruments.</p> <p>The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.</p> <p>Use of Derivatives and SFTs</p> <p>The Sub-Fund may use derivatives for efficient portfolio management, hedging and investment. For the avoidance of doubt, the Sub-Fund currently does not use derivatives extensively for investment purposes.</p> <p>Derivatives may include credit default swaps (single name CDS and CDS index).</p> <p>Such derivatives with underlying indexes will not have significant rebalancing costs. In exceptional market conditions, the single-issuer exposure of an underlying index could be over 20%, and as high as 35%, especially where, for example, on a specific regulated market or monetary market, the reference index may be concentrated and one issuer of such reference index may be largely</p> |
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Restrictions". The Sub-Fund may in particular engage in credit derivatives market by entering into credit default swap (CDS) in order to sell or buy protection. The Sub-Fund may enter into CDS index transactions having or not a rebalancing of the underlying index. In case of rebalancing of the underlying index, the costs will not be significant. The underlying index of such CDS index transactions may have a single component exceeding 20% with a maximum up to 35% in case of exceptional market conditions, especially where, for example, on a specific regulated market or monetary market, the reference index may be concentrated and one issuer of such reference index may be largely dominant on its market of reference. Although the maximum exposure of the Sub-Fund to CDS may not exceed 100% of its net asset, it is the current intention of the Investment Manager to enter into CDS transactions for less than 30% of its net assets. The Sub-Fund, however, is not using financial derivative instruments extensively for investment purposes.

The Sub-Fund may use securities financing transactions ("SFT") such as securities lending and securities borrowing, repurchase and reverse repurchase transactions within the limits indicated in the table below. The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's net asset value indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below : |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximatively 25% | Maximum 100% |
| Securities borrowing | Approximatively 25% | Maximum 50% |
| Repurchase /reverse repurchase agreements | Approximatively 10% | Maximum 100% |

For clarification, it is the current intention of the Investment Manager to enter into securities lending transactions and repurchase or reverse repurchase agreement transactions for less than 30% of the net asset value of the Sub-Fund in aggregate.

dominant on its market of reference. Although the maximum exposure of the Sub-Fund to CDS may not exceed 100% of net assets, it is the current intention of the investment manager to enter into CDS transactions for less than 30% of net assets.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

The Sub-Fund may use SFTs in relation but not limited to bonds as part of efficient portfolio management, within the limits indicated in the table below. Thus, it may incur fixed or variable brokerage fees and transactions costs relative to such techniques that will be disclosed in the annual report. The Sub-Fund will not use total return swaps.

| Type of transaction | Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's NAV indicated below. In certain circumstances this proportion may be higher within the limit of the maximum of the proportion of the Sub-Fund's NAV indicated in the right-hand column | The principal amount of the Sub-Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Sub-Fund's Net Asset Value indicated below |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities lending | Approximatively 25% | Maximum 100% |
| Securities borrowing | Approximatively 25% | Maximum 50% |
| Repurchase/ reverse repurchase agreements | Approximatively 10% | Maximum 100% |

For clarification, it is the current intention of the investment manager to enter into securities lending transactions and repurchase or reverse repurchase agreement transactions for less than 30% of net assets in aggregate.

Management Process

The investment manager selects investments based on a number of factors, including macro and microeconomic analysis and credit analysis of issuers. The investment manager also manages the Interest Rate Sensitivity, the yield curve positioning and the exposure to different geographical areas.

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| | <p>The assets of the Sub-Fund which might be subject to securities lending/borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds.</p> <p>Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.</p> | |
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