



## PROSPECTUS

MUFG Global Fund SICAV

*Société d'Investissement à capital variable  
à compartiments multiples  
Luxembourg*

Subscriptions can only be received on the basis of this prospectus accompanied by the relevant key investor information document, latest annual report as well as by the latest semi-annual report, published after the latest annual report.

These reports form part of the present prospectus. No information other than that contained in this prospectus, in the periodic financial reports, as well as in any other documents mentioned in the prospectus and which may be consulted by the public may be given in connection with the offer.

R.C.S. LUXEMBOURG B 182362

June 2018

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FUND REGISTERED OFFICE	287-289, route d'Arlon L-1150 Luxembourg Grand Duchy of Luxembourg
MANAGEMENT COMPANY	<b>MUFG Lux Management Company S.A.</b> 287-289, route d'Arlon L-1150 Luxembourg Grand Duchy of Luxembourg
DIRECTORS OF THE FUND	<b>MUFG Lux Management Company S.A.</b> , Chairman, represented by Jean-François Fortemps  <b>Masaru Yoshida</b> , Director, Senior Vice President of Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.  <b>Hiroyasu Omura</b> , Senior Deputy General Manager of the Global Asset Management Business Division of Mitsubishi UFJ Trust and Banking.
DIRECTORS OF THE MANAGEMENT COMPANY	<b>Shunji Maehara</b> , Associate General Manager, Mitsubishi UFJ Trust and Banking Corporation in Japan  <b>Jean-François Fortemps</b> , Director, Managing Director of MUFG Lux Management Company S.A.  <b>Akio Iida</b> , Chief Manager, Mitsubishi UFJ Trust and banking corporation in Japan  <b>Paul Guillaume</b> , Director, Independent Director
CONDUCTING OFFICERS OF THE MANAGEMENT COMPANY	<b>Jean-François Fortemps</b> Managing Director  <b>Nathalie Chilla</b> Conducting Officer  <b>Andrea Papazzoni</b> Conducting Officer  <b>Tomasz Karzel</b> Conducting Officer

AUDITOR OF THE FUND	<b>PricewaterhouseCoopers,</b> 2, rue Gerhard Mercator L-2182 Luxembourg
INVESTMENT MANAGER	<b>Mitsubishi UFJ Asset Management (UK) Ltd</b> 24 Lombard Street, London EC3V 9AJ, United Kingdom
SUB-INVESTMENT MANAGERS	<b>Mitsubishi UFJ Trust and Banking Corporation</b> 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan  <b>MU Investments Co., Ltd.</b> 3-11, Kanda Surugadai 2-Chome, Chiyoda-ku, Tokyo 101-0062, Japan
DEPOSITARY BANK, DOMICILIARY AND PAYING AGENT	<b>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</b> 287-289, route d'Arlon L-1150 Luxembourg Grand Duchy of Luxembourg
ADMINISTRATION, REGISTRAR AND TRANSFER AGENT	<b>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</b> 287-289, route d'Arlon L-1150 Luxembourg Grand Duchy of Luxembourg

PART A: GENERAL INFORMATION
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The Prospectus is divided into two Parts. Part A "General Information" aims at describing the general features of MUFG GLOBAL FUND SICAV. Part B "The Sub-Funds" aims at describing precisely each sub-fund's specifics.

## 1. INTRODUCTION

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MUFG GLOBAL FUND SICAV, (hereinafter the "**Fund**"), described in this prospectus is a Fund established in Luxembourg with a variable capital, *société d'investissement à capital variable* that may offer a choice of several separate sub-funds investing in transferable securities and/or other liquid financial assets permitted by Part I of the law of December 17, 2010 relating to undertakings for collective investments (in the following referred to as "**Investment Fund Law**") transposing Directive 2014/91/EC of the European Parliament and of the Council of 23 July 2014 (the "**UCITS V**") and Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the "**UCITS**"), as such has been and as such may be amended from time to time.

The main objective of the Fund is to provide a range of sub-funds (hereinafter referred to individually as "**Sub-Fund**" and collectively as the "**Sub-Funds**") combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth. Each Sub-Fund corresponds to a distinct part of the assets and liabilities of the Fund.

As in the case of any investment, the Fund cannot guarantee future performance and there can be no certainty that the investment objectives of the Fund's individual Sub-Funds will be achieved.

The reference currency (the "**Reference Currency**") of the Sub-Funds is indicated in each Sub-Fund specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.

The board of directors of the Fund (hereinafter the "**Board of Directors**" or the "**Directors**") may decide at any time to create new Sub-Funds. At the opening of such additional Sub-Funds, the current prospectus (hereinafter called the "**Prospectus**") shall be adapted accordingly.

As also indicated in the articles of incorporation (the "**Statutes**") of the Fund, the Board of Directors may:

- (i) Restrict or prevent the ownership of shares in the Fund by any physical person or legal entity;
- (ii) Restrict the holding of shares in the Fund by any physical or corporate person in order to avoid breach of laws and regulations of a country and/or official regulations or to avoid that shareholding induces tax liabilities or other financial disadvantages, which it would otherwise not have incurred or would not incur.

Shares shall not be offered or sold by the Fund to any US Person and, for this purpose, the term "US Person" shall include:

- (i) a citizen of the United States of America irrespective of his place of residence or a resident of the United States of America irrespective of his citizenship;
- (ii) a partnership organised or existing in laws of any state, territory or possession of the United States of America;
- (iii) a corporation organised under the laws of the United States of America or of any state, territory or possession thereof;
- (iv) any estate or trust which is subject to United States tax regulations; and
- (v) a person as defined in Regulation S under the 1933 Act and Rule 4.7 of the US Commodity Exchange Act.

For further information on restricted or prohibited share ownership please consult the Fund.

## 2. THE FUND

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The Fund was incorporated in the Grand Duchy of Luxembourg on 20 November 2013 as a *société anonyme* under the law of August 10, 1915 relating to commercial companies (the "Company Law") and is organized as a variable capital company (*société d'investissement à capital variable* "SICAV") under the Part I of the Investment Fund Law. As such the Fund is registered on the official list of collective investment undertakings maintained by the Luxembourg regulator. It is established for an undetermined duration from the date of the incorporation.

The registered office of the Fund is at  
287-289, route d'Arlon  
L-1150 Luxembourg  
Grand Duchy of Luxembourg

The Statutes of the Fund were published on the electronic collection platform of companies and associations called "RESA" (formerly the *Mémorial C*) (hereafter referred to as the "RESA") on December 13, 2013. The company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 182362.

The financial year of the Fund starts on 1 April and ends on 31 March of each year.

Shareholders' meetings are to be held annually in Luxembourg ("**Annual General Meeting**") at the Fund's registered office or at such other place as is specified in the notice of meeting. The Fund's Annual General Meeting will be held on Wednesday of the 3rd week in July. If such day is a legal bank holiday in Luxembourg, the Annual General Meeting shall be held on the next following full bank business day in Luxembourg. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meetings that



will be published in compliance with the provisions of the Fund Law. Resolutions concerning the interests of the shareholders of the Fund shall be taken in a general meeting and resolutions concerning the particular rights of the shareholders of one specific Sub-Fund shall in addition be taken by this Sub-Fund's general meeting.

### 3. THE MANAGEMENT COMPANY

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The Board of Directors of the Fund has appointed **MUFG Lux Management Company S.A** as management company (the “**Management Company**”) registered with the Luxembourg Supervisory Authority, the CSSF, under Chapter 15 of the Investment Fund Law and complying with the rules of CSSF circular 12/546 (as amended by CSSF circular 15/633). The Management Company has been appointed under a Management Company Services Agreement entered into on 20 November 2013. The Agreement is for an indefinite period of time and may be terminated by either party within three (3) months’ written notice. The Management Company has been incorporated on the 4<sup>th</sup> January of 1995. Its statutes have been amended from time to time and the last amendments thereto were adopted on 25 January 2016, published on 17 July 2016. It is registered with the Trade Registrar of Luxembourg under reference B049759. The Management Company is established for an undetermined period of time. The Management Company is a wholly owned subsidiary of Mitsubishi UFJ Trust & Banking Corporation since 1<sup>st</sup> of June 2017.

The Management Company will provide investment management services, administrative services and distribution services in accordance with the Investment Fund Law and as specified in the Management Company Services Agreement.

Subject to the conditions set forth by the Investment Fund Law, the Management Company is authorized to delegate under its responsibility and control, and with consent and under supervision of the Fund and its Board of Directors, part or all of its functions and duties to third parties.

For the investment management of the Sub-Funds, the Management Company may, under its control and supervision, appoint one or more investment managers (the “**Investment Manager**”) for providing day-to-day management of the assets of certain Sub-Funds. The Investment Manager may further, under the same conditions, appoint sub- investment managers (the “**Sub-Investment Manager**”).

In consideration of its investment management, administration and distribution services, the Management Company is entitled to receive management, distribution, central administration and performance fee as indicated in each Sub-Fund specifics (section “Expenses”) in Part B of this Prospectus. These fees shall be calculated based on the Net Asset Value of the Sub-Funds and shall be paid quarterly in arrears.

Third parties to whom such functions have been delegated by the Management Company may receive their remunerations directly from the Fund (out of the assets of the relevant Sub-Fund), such remunerations being in such cases not included in the management fee payable to the Management Company. Any such remuneration shall be paid on a monthly or quarterly basis in arrears, depending on the terms and conditions of the relevant agreements.

The Management Company has adopted a remuneration policy compliant with the UCITS V standards and consistent with and promoting sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS funds managed by the Management Company. The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS funds it manages and the best interest of investors of such UCITS funds, and includes measures to avoid conflicts of interest.

The Management Company has contractual delegation arrangements in place with external parties regarding accomplishment of some activities, including portfolio management activities. The Management Company ensures that the appointed delegates to which portfolio management activities have been outsourced are subject to regulatory requirements on remuneration that are equally as effective as

those applicable under AIFMD, ESMA Guidelines and the Investment Fund Law through a due diligence process and on a contractual basis.

The remuneration policy applies to all remunerations (fixed and variable remuneration) paid by the Management Company to persons that have an employment contract with the Management Company, as the case may be, directors, management and staff of the Management Company. In accordance with the applicable regulatory provisions, the application of the policy falls within the scope of the third level controls made by the internal auditor and the compliance officer of the Management Company. The result of such controls has to be reported to the Management Company's board of directors on an annual basis.

The Management Company has taken into consideration the principle of proportionality in the sense that it shall comply with the principles stated in the Investment Fund Law and AIFMD in a way and to the extent that is appropriate to its size, internal organization and the nature, scope and complexity of its activities. Considering more specifically its particular nature:

- small number of employees
- liquidity profile of the funds managed by the Management Company being largely assets that can be readily converted to cash
- investment management being delegated and carried out by well-known portfolio management companies

The beneficiaries of the remuneration policy of the management company are:

- the Management Company's board of directors' members;
- the management's members for whom it is to be noted that to prevent any potential conflict of interest, those members of the management that are also members of the board of directors are prohibited from board meetings deciding the management's remuneration when it concerns their own remuneration for those specific items;
- and the staff whose fixed remuneration of the staff is determined by the management under the supervision of the Management Company's board of directors.

These beneficiaries are categorised under three categories: 1.) the identified persons, 2.) the risk takers and 3.) all other staff of the Management Company. The identified staff are the board members (executive and non-executive directors), the senior management (conducting officers and managing director), the control functions (compliance, internal audit and risk management) and the risk takers. There is however no risk taker identified for the Management Company. All other staff are anyone not belonging to the identified staff.

The Management Company has a performance based-culture and therefore rewards its employees through variable remuneration. This is designed to attract, retain and motivate its employees without encouraging taking inappropriate risks.

The Management Company's board of directors and management do not accept that a variable remuneration be fixed in the employment contract. The Management Company's board of directors may decide to allocate a variable remuneration based on the list of criteria described in the detailed policy and based on the results of the annual appraisal process. The annual appraisal process is used to evaluate and measure an employee's performance against defined objectives. The 'Specific Measurable Achievable Realistic and Time-bound' (or else known as «SMART») objectives concept is utilized when setting objectives. If approved by the Management Company's board of directors, the variable remuneration is paid through an annual discretionary bonus.

The Management Company also ensures that the assessment of the performance of its identified persons lives up to the long-term performance of the Fund and its investment risks.

The board of the directors of the Management Company when deciding about fixed and variable remuneration takes care that the fixed component represents a sufficiently high proportion of the total compensation for a fully flexible policy to be exercised on variable remuneration components, including the possibility to pay no variable remuneration.

This measure aims to avoid any possible, if any, inappropriate risk-taking by the employees. Depending on the performance assessed during the annual appraisal

process, depending on the achievements of the employees, on their adherence to the Management Company's principles and on the annual profitability of the Management Company, the Management Company's board of directors and/or the management may decide to not allocate any variable remuneration.

The Management Company states that their detailed remuneration policy is easily accessible on the following website: <http://www.lu.tr.mufig.jp/lmsa/>. All details of the up-to-date remuneration policy and a description of how the remuneration and benefits are calculated, the identity of those responsible for the allocation of remuneration and advantages are available in this policy. Due to the principle of proportionality, the Management Company confirms that they have not set-up any remuneration committee as explained in the remuneration policy. A paper version of the policy will be made available to investors free of charge upon simple request.

#### 4. CAPITAL STOCK

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The capital of the Fund shall at all times be equal to the value of the assets of all the Sub-Funds of the Fund.

The minimum capital of the Fund must be at least EUR 1,250,000 (one million two hundred fifty thousand Euro) and must be reached within a period of six (6) months following the authorisation of the Fund. For the purpose of determining the capital of the Fund, the assets attributable to each Sub-Fund, if not expressed in Euro, will be converted into Euro at the then prevailing exchange rate in Luxembourg. If the capital of the Fund becomes less than two-thirds of the legal minimum, the Directors must submit the question of the dissolution of the Fund to the general meeting of shareholders. The meeting is held without a quorum, and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Fund may be taken by shareholders representing one quarter of the shares present. Each such meeting must be convened not later than forty (40) days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

## 5. INVESTMENT OBJECTIVES AND POLICY

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### 5.1. Investment objectives of the Fund

The investment objective of each Sub-Fund is to provide investors with the opportunity of achieving long term capital growth through investment in assets within each of the Sub-Funds. The Sub-Funds' assets will be invested in conformity with each Sub-Fund's investment objective and policy as described in each Sub-Fund specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.

The investment objective and policy of each Sub-Fund of the Fund is determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

Unless otherwise mentioned in a Sub-Fund specifics in Part B of this Prospectus and always subject to the limits permitted by the "Investment policy and restrictions of the Fund" section in this Part of the Prospectus, the following principles will apply to the Sub-Funds.

### 5.2. Investment policy and restrictions of the Fund

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|-----|---|
| I.  | In the case that the Fund comprises more than one Sub-Fund, each Sub-Fund shall be regarded as a separate undertaking in collective investments in transferable securities (" <b>UCITS</b> ") for the purpose of the investment objectives, policy and restrictions of the Fund.                    |
| II. | 1. The Fund, for each Sub-Fund, may invest in only one or more of the following:<br><br>a) Transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of |

Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004,

- b) Transferable securities and money market instruments dealt in on another market in a member state of the European Union and in a contracting party to the agreement on the European Economic Area that is not a member state of the European Union within its limits set forth and related acts ("**Member State**"), which is regulated, operates regularly and is recognised and open to the public;
- c) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania.
- d) Recently issued transferable securities and money market instruments, provided that:
  - The terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public or markets as defined in the paragraphs a), b), c) above;
  - Provided that such admission is secured within one year of issue.
- e) Units of UCITS authorised according to Directive 2009/65/EC and/or other undertakings in collective investments (the "**UCI**") within the meaning of the first and the second indent of Article 1, paragraph (2) points a) and b) of the Directive 2009/65/EC, whether or not established in a Member State, provided that:
  - Such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("**CSSF**") to be equivalent to that laid down in EU Community law, and that cooperation

between authorities is sufficiently ensured,

- The level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
- The business of such other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
- No more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs.
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f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Community law;

g) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:

- The underlying consists of instruments covered by this paragraph II. of section 5.2., financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Funds may



invest according to its investment objectives;

- The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
- The OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

h) Money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the Investment Fund Law, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- Issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- Issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c) above, or
- Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU Community law, or
- Issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this sub-paragraph and provided that the issuer is a Fund whose capital and reserves

amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies including one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. However:

- a) The Fund, for each Sub-Fund, shall not invest more than 10% of its assets in transferable securities or money -market instruments other than those referred to in paragraph 1 of this section 5.II above;
- b) The Fund for each Sub-Fund shall not acquire either precious metals or certificates representing them;

III. The Fund for each Sub-Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

IV. The Fund may hold ancillary liquid assets.

V. a) (i) The Fund for each Sub-Fund may invest no more than 10% of the assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.

(ii) The Fund for each Sub-Fund may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in paragraph II. f) or 5% of its assets in other cases.

- b) The total value of the transferable securities and money market instruments held by the Fund for each Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets shall not

exceed 40% of the value of its assets of each Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund for each Sub-Fund shall not combine where this would lead to investing more than 20% of its assets in a single body, any of the following:

- Investments in transferable securities or money market instruments issued by that body,
  - Deposits made with that body, or
  - Exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.
- d) The limit of 10% laid down in sub-paragraph a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) are not included in the calculation of the limit of 40% referred to in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined, thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) may not, exceed a total of 35% of the assets of each Sub-Fund.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in paragraph IV.

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

- VI. a) Without prejudice to the limits laid down in paragraph VIII., the limits provided in paragraph V. are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when, according to the constitutional documents of the Fund, the aim of a Sub-Funds' investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF on the following basis:
- The composition of the index is sufficiently diversified,
  - The index represents an adequate benchmark for the market to which it refers,
  - The index is published in an appropriate manner.
- b) The limit laid down in paragraph a) is raised to 35% where that proves to be justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money

market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

VII. Notwithstanding the limits set forth under paragraph V., each Sub-Fund is authorized to invest in accordance with the principle of risk spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a non-Member State of the European Union accepted by the CSSF (being at the date of this Prospectus OECD member states or any member states of the G20 or Singapore) or public international bodies of which one or more Member States of the European Union belong, provided that (i) such securities are part of at least six (6) different issues and (ii) the securities from a single issue shall not account for more than 30% of the total assets of the Sub-Fund.

VIII. a) The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

b) Moreover, the Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same UCITS and/or other UCI with the meaning of Article 2 (2) of the Investment Fund Law.
- 10% of the money-market instruments of any single issuer;

These limits laid down under second, third and fourth indents may be disregarded at the time of acquisition, if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

c) The provisions of paragraphs (a) and (b) are waived as regards to:

- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,

- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union, or
- transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members,
- shares held by the Fund in the capital of a Fund incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund for each Sub-Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the Fund from the non-Member State of the European Union complies with the limits laid down in paragraph V., VIII. and IX. Where the limits set in paragraph V and IX are exceeded, paragraph XI a) and b) shall apply mutatis mutandis.
- shares held by one or more investment companies in the capital of subsidiary companies carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of units at the request of unitholders exclusively on its or their behalf.

IX. a) The Fund may acquire the units of the UCITS and/or other UCIs referred to in paragraph II. e), provided that no more than 20% of a Sub-Fund's assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a Undertaking for Collective Investment ("UCI") with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of each Sub-Fund.

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph V.

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

The Fund for each Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs will disclose in this prospectus the maximum level of the management fees that may be charged both to the UCITS itself and to the other UCITS and/or other UCIs in which it intends to invest.

Unless otherwise specified in the relevant Sub-Fund's specifics, a Sub-fund shall not invest more than 10% of its assets in aggregate, in units of UCITS and/or other UCIs.

- X. 1. The Management Company will apply a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio. The Management Company monitors each Sub-Fund in accordance with the requirements of CSSF Regulation 10-04 and in particular CSSF circular 11/512 and the "Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS" by the Committee of European Securities Regulators (CESR/10-788) as well as CSSF circular 13/559. The Central Administration will employ a process for accurate and independent assessment of the value of OTC derivatives.
2. The Fund for each Sub-Fund is also authorised to employ techniques and instruments relating to transferable securities and money-market instruments under the conditions and within the limits laid down by the

Investment Fund Law, provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Investment Fund Law.

Under no circumstance shall these operations cause the Fund for each Sub-Fund to diverge from its investment objectives as laid down in this Prospectus.

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

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

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph V above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph V.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph X.

The global exposure may be calculated through the Value-at-Risk approach ("**VaR Approach**") or the commitment approach ("**Commitment Approach**") as described in each Sub-Fund in Part B of this Prospectus.

The purpose of the VaR Approach is the quantification of the maximum potential loss that could arise over a given time interval under normal market conditions and at a given confidence level. A confidence level of 99% with a time horizon of one month is foreseen by the Investment Fund Law.



The Commitment Approach performs the conversion of the financial derivatives into the equivalent positions in the underlying assets of those derivatives. By calculating global exposure, methodologies for netting and hedging arrangements and the principles may be respected as well as the use of efficient portfolio management techniques.

Unless described differently in each Sub-Fund in Part B, each Sub-Fund will ensure that its global exposure to financial derivative instruments computed on a VaR Approach does not exceed either (i) 200% of the reference portfolio (benchmark/reference rate) or (ii) 20% of the total assets or that the global exposure computed based on a commitment basis does not exceed 100% of its total assets.

To ensure the compliance of the above provisions the Management Company will apply any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards.

- XI. a) The Fund for each Sub-Fund does not need to comply with the limits laid down in section 5 of the Investment Fund Law when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs V., VI., VII. and IX. for a period of six (6) months following the date of their authorisation.
- b) If the limits referred to in paragraph XI. a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- XII. 1. The Management Company on behalf of the Fund may not borrow.
- However, the Fund may acquire foreign currency by means of a back-to-back loan for each Sub-Fund.
2. By way of derogation from paragraph XII.1., the Fund may borrow

provided that such a borrowing is:

- a) On a temporary basis and represents no more than 10% of the assets of a Sub-Fund
- b) To enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of the assets of a Sub-Fund.

The borrowings under points XII. 2. a) and b) shall not exceed 15% of a Sub-Fund's assets in total.

XIII. A Sub-Fund may, subject to the conditions provided for in the Statutes as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Fund under the condition that:

- The target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
- No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to the Statutes be invested in aggregate in shares/units of other target Sub-Funds of the same fund; and
- Voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- In any event, for as long as these securities are held by the Fund, their value will not be taken into consideration of the calculation of the assets of the Fund for the purposes of verifying the minimum threshold of the assets imposed by the Investment Fund Law; and
- There is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.

#### XIV. Benchmark Regulation

To the extent that benchmarks referred by a Sub-Fund or indices comprised in those benchmarks fall under the provisions of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "Benchmark Regulation"), the Management Company may take several actions, to mitigate the potential risks involved in the event that a benchmark, including any of its constituent indexes, materially changes or ceases to be provided. Where feasible and appropriate, such actions might nominate one or several alternative benchmarks that could be referenced in this Prospectus to substitute a relevant benchmark. Various factors, including external factors beyond the control of the Management Company, might result in material changes to, or cessation of a benchmark, including where an administrator of such benchmark is no longer able to determine a reference rate or other figure for whatever reason; as a consequence, the Management Company shall not be held liable with this regard and will take appropriate actions to safeguard the interest of the Unitholders and the continuity of the affected Sub-Fund's Investment Objectives and Policies.

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#### 5.3 Investments in financial derivative transactions

The Fund will not use any securities financing transactions and/or total return swaps within the meaning of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

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

Where a Sub-Fund enters into OTC financial derivative transactions all collateral used to reduce counterparty risk exposure should comply with the rules of CSSF circulars 08/356, 11/512, 13/559.

The following criteria have to be complied with at all times:

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

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

c) Issuer credit quality – collateral received should be of high quality.

d) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

- g) Where there is a title transfer, the collateral received should be held by the depositary of the Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h) Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- i) Non-cash collateral received should not be sold, re-invested or pledged.
- j) Cash collateral received should only be:
- placed on deposit with entities prescribed in Article 50(f) of the Directive 2009/65/EC;
  - invested in high-quality government bonds;
  - invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Collateral may be offset against gross counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral its value is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral.

For Sub-Funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

None of the Sub-Funds uses collateral unless expressly specified in Part B of this Prospectus. If any Sub-Fund uses collateral, the collateral policy (permitted types of collateral, level of collateral required and, in the case of cash collateral, re-investment policy including the risks arising from the re-investment policy) and

the haircut policy of the concerned Sub-Fund(s) will be disclosed in the relevant section of Part B of this Prospectus.

## 6. RISK FACTORS

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The investments of each Sub-Fund are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment-return objective will be achieved. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investments.

The risks inherent to the different Sub-Funds depend on their investment objective and policy, i.e. among others the markets invested in, the investments held in portfolio, etc.

Investors should be aware of the risks inherent to the following instruments or investment objectives, although this list is in no way exhaustive:

### (i) Market risk

Market risk is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a portfolio's interest.

Market risk is specifically high on investments in shares (and similar equity instruments). The risk that one or more companies will suffer a downturn or fail to increase their financial profits can have a negative impact on the performance of the overall portfolio at a given moment.

### (ii) China market risk

Investment in securities of Chinese companies involves a greater degree of risk than usually associated with companies in major securities markets in developed countries including risks of nationalization or expropriation of assets, government control and intervention, regulatory risk, legal risk and accounting risk, settlement risk and the risks listed below. Potential investors should consider such risks before investing in each Sub-Fund.

Investing in the securities markets in China is subject to the risks of investing in emerging markets generally and the risks specific to the Chinese market. For more than 50 years, the Chinese government has implemented economic reform measures which emphasize decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress. Many of the Chinese economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the Chinese or in listed securities such as Class A Shares.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries. Currently, joint stock companies with listed Class A Shares are undergoing split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A-Shares. However, the effects of such reform on the A-Shares market as a whole remain to be seen.

Chinese companies are required to follow Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by each Sub-Fund.

(iii) Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of the Sub-Funds' investments. The Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

(iv) Credit risk

Credit risk involves the risk that an issuer of a bond (or similar money-market instruments) held by the Fund may default on its obligations to pay interest and repay principal and the Fund will not recover its investment.

(v) Currency risk



Currency risk involves the risk that the value of an investment denominated in currencies other than the Reference Currency of a Sub-Fund may be effected favourably or unfavourably by fluctuations in currency rates.

(vi) Liquidity risk

There is a risk that the Fund will not be able to pay repurchase proceeds within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons.

(vii) Financial derivative instruments

The Sub-Funds may engage, within the limits established in their respective investment policy and the legal investment restrictions, in various portfolio strategies involving the use of derivative instruments for hedging or efficient portfolio management purposes.

The use of such derivative instruments may or may not achieve its intended objective and involves additional risks inherent to these instruments and techniques.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

In case of a trading purpose of such transactions, the assets held in portfolio will not necessarily secure the derivative. In essence the Sub-Fund is therefore exposed to additional market risk in case of option writing or short forward/future positions (i.e. underlying needs to be provided/ purchased at exercise/maturity of contract).

Furthermore the Sub-Fund incurs specific derivative risks amplified by the leverage structure of such products (e.g. volatility of underlying, market liquidity, etc.).

(viii) Counterparty risk

In addition, the Sub-Funds may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions of the contracts it enters into with them.

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

Sub-Funds may participate in transactions on over-the-counter markets and interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Sub-Fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Sub-Fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections.

This exposes the respective Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the fund has concentrated its transactions with a single or small group of counterparties.

In addition, in the case of a default, the respective Sub-Fund could become subject to adverse market movements while replacement transactions are executed. The Sub-Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of the Sub-Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-Funds.

(ix) Emerging market risk

Investors should note that certain Sub-Funds may invest in less developed or emerging markets as described in the Sub-Funds' specifics in Part B of this Prospectus. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. The risk of significant fluctuations in the Net Asset Value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected

unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the “**Counterparty**”) through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Fund will seek, where possible to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore compensation schemes may be non-existent or limited or inadequate to meet the Fund’s claims in any of these events.

- (x) Investment restrictions relating to techniques and instruments aimed at hedging exchange risks

In the context of the management of the investment portfolio, each Sub-Fund may use instruments with a view to hedging against exchange-rate fluctuations. These instruments include sales of forward foreign-exchange contracts, sales of currency futures, purchases of put options on currencies as well as sales of call options on currencies. Such transactions are limited to contracts and options which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public. Furthermore, the Fund may for each Sub-Fund enter into currency swaps in the context of over-the-counter transactions dealing with leading institutions specialised in this type of transaction.

- (xi) Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscator taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain

countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

(xii) Currency Risk Hedging

The Fund may engage in currency risk hedging transactions with regards to a certain Class of Shares (the "**Hedged Share Class**"). Hedged Share Classes are designed (i) to minimize exchange rate fluctuations between the currency of the Hedged Share Class and the base currency of the Sub-Fund or (ii) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

Currency risk hedging at Share Classes level will be carried out in compliance with the ESMA opinion on share classes of UCITS, issued on 30 January 2017, as amended. In particular, over-hedged positions shall not exceed 105% of the net asset value of the relevant Share Class, while under-hedged positions of the said Share Class shall not fall short of 95% of the portion of the net asset value of the Share Class which is to be hedged against currency risk. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency as the Fund, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted percentage levels stated above.

The hedging will be undertaken to reduce exchange rate fluctuations in case the base currency of the Sub-Fund or other material currencies within the Sub-Fund (the "**reference currency(ies)**") is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may

not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent business day following the Valuation Date on which the instruction was accepted. This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Class of Shares expressed in the reference currency(ies), if the Hedged Share Class currency falls against the reference currency(ies). Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the net asset value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

(xiii) Equity risk

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of Fund specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

(xiv) Foreign Currency risk

Since the securities held by a Sub-Fund may be denominated in currencies different from its base currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realised by said Sub-Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. To the extent that a Sub-Fund or any Class of Shares seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction. Sub-Funds which use currency management strategies, including the use of cross currency forwards and currency futures contracts, may substantially change the Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if the currencies do not perform as the Investment Manager expects.

## 7. SHARES OF THE FUND



The Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective net asset value ("Net Asset Value") per share determined in accordance with the provisions of the Fund's Statutes, without reserving to existing shareholders a preferential right to subscribe for the shares to be issued.

On issue, all shares have to be fully paid up. The shares do not have any par value. Each share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are only available in registered form. No share certificates will be issued in respect of registered shares; registered share ownership will be evidenced by confirmation of ownership and registration on the share register of the Fund.

Fractions of shares may be issued up to one ten thousandth of a share. The resultant fractional shares shall have no right to vote but shall have the right to participate pro-rata in distributions and allocation of the proceeds of liquidation in the event of the winding-up of the Fund or in the event of the termination of the Fund.

Under the Statutes of the Fund, the Directors have the power to create and issue several different Sub-Funds, whose characteristics may differ from those Sub-Funds then existing.

The Directors shall maintain for each Sub-Fund a separate pool of assets. As between shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

Under the Statutes of the Fund, the Directors have the power to create and issue several different Classes of Shares within each Sub-Fund (hereinafter referred to collectively as the "Classes"/"Classes of Shares" or individually as the "Class"/"Class of Shares"), whose characteristics may differ from those Classes then existing.

The differences between the Classes may relate to the initial subscription price per share, the reference currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy or such other features as the Directors may, in their discretion, determine.

Upon creation of a new Sub-Fund and Class, the Prospectus will be updated accordingly.

The Board of Directors has full discretion to determine whether an investor qualifies for investment in a specific Class or not.

The Sub-Funds specifics in Part B of this Prospectus detail the Classes available in each Sub-Fund.

The Board of Directors is empowered to determine - on a case-by-case basis - whether certain investors are or are not to be categorised as institutional investors.

The specifics of each Class in relation to fees and expenses payable and the currency of each Class are indicated in each Sub-Fund specifics (section "Expenses") in Part B of this Prospectus.

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

## 8. INCOME POLICY

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Within each Sub-Fund, the Board of Directors may decide to issue accumulating and/or distributing shares. The dividend policy applicable for each Class of shares or Sub-Fund is further described in each Sub-Fund's specific information sheet in Part B of this Prospectus.

If a dividend is declared by the Fund, it will be paid to each shareholder concerned in the reference currency of the relevant Sub-Fund or Class.

Dividend payments are restricted by law in that they may not reduce the assets of the Fund below the required minimum capital.

In the event that a dividend is declared and remains unclaimed after a period of five (5) years from the date of declaration, such dividend will be forfeited and will revert to the Class or Sub-Fund in relation to which it was declared.

## 9. NET ASSET VALUE

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The Net Asset Value per share of each Class will be determined on each valuation date (the "Valuation Date") as indicated in the Sub-Funds specifics in Part B of this Prospectus and expressed in the reference currency of the respective Class, by Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. by dividing the value of the assets of the Sub-Fund properly able to be allocated to such Class less the liabilities of the Sub-Fund properly able to be allocated to such Class by the number of shares then outstanding in the class (the "Net Asset Value per Class") on the relevant Valuation Date. The Net Asset Value per share of each Class may be rounded up or down to the nearest four decimals of the reference currency of such Class of shares.

When a Valuation Date falls on a day observed as a holiday on a stock exchange which is the principal market for a significant proportion of the Sub-Funds' investment or is a market for a significant proportion of the Sub-Fund's investment or is holiday elsewhere and impedes the calculation of the fair market value of the

investments of the Sub-Funds, the Fund may decide that a Net Asset Value will not be calculated on such Valuation Date.

The calculation of the Net Asset Value of the shares of any Class and the issue, redemption and conversion of the shares of any Sub-Fund may be suspended in the following circumstances:

- During any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for a significant part of the Sub-Fund's investments, for in which trading therein is restricted or suspended; or
- During any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Fund fairly to determine the value of any assets in a Sub-Fund; or
- During any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments or of current prices on any stock exchange; or
- When for any reason the prices of any investment owned by the Sub-Fund cannot be reasonable, promptly or accurately ascertained; or
- During the period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- Following a possible decision to liquidate or dissolve the Fund or one or several Sub-Funds; or

- In all other cases in which the Board of Directors considers a suspension to be in the best interest of the shareholders.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares shall be published in a Luxembourg newspaper and in one newspaper of more general circulation.

The value of the assets of each Sub-Fund is determined as follows:

1. Transferable securities and money market instruments admitted to official listing on a stock exchange or dealt with in on another market in a non-EU Member State which is regulated, operates regularly and is recognised and open to the public provided, are valued on the basis of the last known price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establish the probable sales price for such securities;
2. Non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors and its delegate;
3. Liquid assets are valued at their nominal value plus accrued interest;
4. Derivatives are valued at market value.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Class, the applicable foreign exchange rate on the respective Valuation Date will be used.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub-Funds and Classes as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the

Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

## 10. ISSUE OF SHARES

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Applications may be made in writing by letter or fax addressed to the Transfer Agent, the Distributor, the Depositary Bank, the Nominee or any intermediary situated in a country where the Fund is marketed specifying the number of shares or amount subscribed for, the name of the Sub-Fund and Class, the manner of payment and the personal details of the subscriber. Orders sent directly to the Transfer Agent can also be sent by swift.

A subscription fee calculated on the Net Asset Value of the shares as specified in each Sub-Fund specifics and to which the application relates as well as the percentage amount of which is indicated for each Class in the table in Part B of this Prospectus (see section "Expenses" in each Sub-Fund specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. upon a subscription for shares in a Class.

### 10.1 Initial Subscription Period

The initial subscription period (which may last one day) and the price of each newly created or activated Sub-Fund will be determined by the Directors and disclosed in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments for subscriptions made during the initial subscription period must have been received in the Reference Currency of the relevant Sub-Fund/Share-Class by the Fund within the time period indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments must be received by electronic transfer net of all bank charges.

The Board of Directors may at any time decide the activation of a Class.

Upon activation of a new Class in a Sub-Fund, the price per share in the new Class will, at its inception, correspond to the price per share during the initial subscription period in the relevant Sub-Fund or to the current Net Asset Value per share in an existing Class of the relevant Sub-Fund, upon decision of the Board of Directors.

## 10.2 Subsequent Subscriptions

Following any initial subscription period, the issue price per share will be the Net Asset Value per share on the applicable Valuation Date.

Subscriptions received by the Registrar and Transfer Agent before the applicable cut-off time on a Valuation Date as specified in the Sub-Funds specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value of that Valuation Date. Subscriptions received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. The investor will bear any taxes or other expenses attaching to the application.

All shares will be allotted immediately upon subscription and payment must be received by the Fund within the time period as described in each Sub-Fund in Part B of this prospectus. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor. Alternatively, overdraft costs may be charged to the investors. Payments should preferably be made by bank transfer and shall be made in the reference currency of the relevant Class; if payment is made in another currency than the reference currency of the relevant Class, the Fund will enter into an exchange transaction at market conditions and this exchange transaction could lead to a postponement of the allotment of shares.

Payments must be received by electronic transfer net of all bank charges.

The Board of Directors reserves the right to accept or refuse any subscriptions in whole or in part for any reason.

The issue of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

#### 10.3 Minimum Initial Subscription and Holding

Classes dedicated to institutional investors, may have a minimum subscription and/ or holding amount as indicated in the Sub-Funds' specifics in Part B of the Prospectus. The Fund may in its discretion waive this minimum subscription and/ or holding amount. In particular, this applies for shareholders staggering investments over time, reaching above-mentioned thresholds over time.

If, as a result of redemption, the value of a shareholder's holding in a Class would become less than the relevant minimum holding amount as indicated above, then the Fund may elect to redeem the entire holding of such shareholder in the relevant Class. It is expected that such redemptions will not be implemented if the value of the shareholder's shares falls below the minimum investment limits solely as a result of market conditions. Thirty (30) calendar days prior written notice will be given to shareholders whose shares are being redeemed to allow them to purchase sufficient additional shares so as to avoid such compulsory redemption.

#### 10.4 Stock Exchange listing

Shares of different Sub-Funds and their Classes may at the discretion of the Directors of the Fund be listed on Stock Exchanges, in particular the Luxembourg Stock Exchange.

### 11. REDEMPTION OF SHARES

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A shareholder has the right to request that the Fund redeems its shares at any time. Shares will be redeemed at the respective Net Asset Value of shares of each Class. Orders sent directly to the Transfer Agent can also be sent by swift.

A redemption fee calculated on the Net Asset Value of the shares to which the application relates, the percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. upon a redemption for shares in a Class.

Shareholders wishing to have all or any of their shares redeemed at the redemption price on a Valuation Date, should deliver to the Registrar and Transfer Agent before the cut-off time on a Valuation Date as specified in the Sub-Fund specifics in Part B of this Prospectus, an irrevocable written request for redemption in the prescribed form. Redemption requests received by the Registrar and Transfer Agent after such determined cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date.

All requests will be dealt with in strict order in which they are received, and each redemption shall be affected at the Net Asset Value of the said shares.

Redemption proceeds will be paid in the reference currency of the respective Class. Payment will be effected after receipt of the proper documentation and as specified for each sub-fund in part B of this Prospectus.

Investors should note that any redemption of shares by the Fund will take place at a price that may be more or less than the shareholder's original acquisition cost, depending upon the value of the assets of the Sub-Fund at the time of redemption.

The redemption of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

If requests for redemption on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Fund reserves the right to postpone redemption of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for redemption.

## 12. CONVERSION BETWEEN SUB- FUNDS/CLASSES OF SHARES

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Shares of any Class may be converted into shares of any other Class of the same, of another, Sub-Fund, upon written instructions addressed to the registered office of the Fund or the Distributor. No conversion fee will be charged. Shareholders may be requested to bear the difference in subscription fee between the Sub-Fund they leave and the Sub-Fund of which they become shareholders, should the subscription fee of the Sub-Fund into which the shareholders are converting their shares be higher than the fee of the Sub-Fund they leave.

Conversion orders received by the Registrar and Transfer Agent on a Valuation Date before the cut-off time as specified in the Sub-Funds specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value established on that Valuation Date. Conversion requests received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. Conversion of shares will only be made on a Valuation Date if the Net Asset Value of both share Classes is calculated on that day.

The Board of Directors will determine the number of shares into which an investor wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C)}{E} * EX$$

A = The number of shares in the new Class of shares to be issued

B = The number of shares in the original Class of shares

C = The Net Asset Value per share in the original Class of shares

E = The Net Asset Value per share of the new Class of shares

EX: being the exchange rate on the conversion day in question between the currency of the Class of shares to be converted and the currency of the Class of shares to be assigned. In the case no exchange rate is needed the formula will be multiplied by one (1).

If requests for conversion on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Fund reserves the right to postpone the conversion of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for conversion.

The conversion of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

### 13. LATE TRADING/MARKET TIMING POLICY

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The Fund takes appropriate measures to assure that subscription, redemption and conversion requests will not be accepted after the time limit set for such requests in this Prospectus.

The Fund does not knowingly allow investments which are associated with market timing or similar practices, as such practices may adversely affect the interests of all shareholders. The Fund reserves the right to reject subscription, redemption and conversion orders from an investor who the Fund suspects of using such practices and to take, if appropriate, other necessary measures to protect the other investors of the Fund.

As set out in the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values.

## 14. TAXATION IN LUXEMBOURG

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The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### 14.1 Taxation of the Fund

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

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

A reduced subscription tax rate of 0.01% per annum is however applicable to:

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

A subscription tax exemption applies to:

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

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

#### 14.2 Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be

subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

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

#### 14.3 Taxation of the Shareholders

##### Luxembourg-resident individuals

Capital gains realised on the sale of the shares by Luxembourg-resident individual investors who hold the shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- i) the shares are sold within 6 months from their subscription or purchase; or
- ii) if the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Fund.

Distributions received from the Fund will be subject to Luxembourg personal income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective marginal tax rate of 45.78% in 2017.

##### Luxembourg-resident corporate

Luxembourg-resident corporate investors will be subject to corporate taxation at the rate of 27.08% (in 2017 for entities having their registered office in

Luxembourg City) on capital gains realised upon disposal of shares and on the distributions received from the Fund.

Luxembourg-resident corporate Investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the Investment Fund Law, (ii) a specialised investment fund subject to Law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The shares shall be part of the taxable net wealth of the Luxembourg-resident corporate investors except if the holder of the shares is (i) a UCI subject to the Investment Fund Law, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the Law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

#### Non-Luxembourg residents

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the shares nor on the distribution received from the Fund and the shares will not be subject to net wealth tax.

#### 14.4 Automatic Exchange of Information

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

The Fund is responsible for the treatment of the personal data provided for in the CRS Law.

The Fund reserves the right to refuse any application for shares if the information, whether provided or not, does not satisfy the requirements under the CRS Law.

Under the CRS Law, the first exchange of information was applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS



Directive, the first AEOI had to be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.

## 15. FATCA

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The Foreign Account Tax Compliance Act ("FATCA"), which is part of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund therefore needs to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the

United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund and the Management Company, in its capacity as the Fund's management company, if applicable, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of an investor FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status;
- b) report information concerning an investor and his/her/its account holding in the Fund to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to investors with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to an investor by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions*

*Directes*). Responding to FATCA-related questions is mandatory. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Fund at its registered office to exercise their right.

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

## 16. INVESTMENT MANAGER

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The Management Company, which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Asset Management (UK) Ltd. as Investment Manager of the Fund by an Investment Management Agreement dated 20 November 2013 and further amended on 29 May 2017 and 28 September 2017. The Investment Management Agreement may be terminated by either party giving three (3) months notice. The Management Company has adopted a remuneration policy compliant with the UCITS V standards and consistent with and promoting sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profile of the Fund and applies to all remunerations paid by the Management Company to persons that have an employment contract with the Management Company. This remuneration policy foresees a fixed remuneration (paid out without consideration of any performance criteria) and a variable remuneration (performance based). Given the size, the internal organization, the nature, scope and complexity of the Management Company's activities, the remuneration policy takes into consideration the principle of proportionality in the sense of the UCITS V provisions.

The Investment Manager was incorporated in England on 20 August 1984, under the Companies Acts 1948 to 2012, as amended, as a private limited company and is authorised and regulated by the Financial Conduct Authority in the conduct of financial services and investment management activities.

The Investment Manager is owned by Mitsubishi UFJ Trust and Banking Corporation (50.0%), Mitsubishi UFJ Kokusai Asset Management (30.0%) and The Bank of Tokyo-Mitsubishi UFJ Ltd. (20.0%). As at 30 September 2017, the Investment Manager had assets under management of USD 14,940 million. The Investment Manager specialises in the provision of fund management and advisory services on a range of products to corporates, financials, insurance companies, and pension funds in the UK, Europe and Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

## 17. SUB-INVESTMENT MANAGERS

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The Investment Manager may appoint sub-investment managers (the "Sub-Investment Manager(s)"). Information on Sub-Investment Managers can be found in the relevant Sub-Fund's specifics in Part B of this Prospectus.

## 18. CENTRAL ADMINISTRATION, DEPOSITARY BANK, TRANSFER, REGISTRAR & PAYING AGENT

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The Management Company has entered into a Fund Administration Services Agreement with Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A., on 20 November 2013 for an indefinite period of time. This Agreement may be terminated by either party with ninety (90) calendar days prior written notice.

Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. is registered with the Luxembourg Fund Register (RCS) under reference B 11937 with its main place of business at 287-289, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services.

Under the above mentioned agreement, Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. will provide the Fund under supervision and responsibility of the Management Company with services as central administration (the "Central Administration", "Registrar and Transfer" Agent). It will carry out the necessary administrative work required by law and the rules of the Fund and establish and keep books and records including the register of shareholders of the Fund. It will also execute all subscription, redemption and conversion applications and determine the Net Asset Value of the Fund.

In consideration of its services as central administration, Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. will receive a central administration fee out of the assets of the Fund as specified in the Sub-Funds' specifics in Part B of the Prospectus.

Moreover, the Fund has entered into a Depositary, Domiciliary and Paying Agent Services Agreement with Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the "Depositary Bank"), initially on 20 November 2013, amended on 6 October 2016 in order to implement and reflect the UCITS V provisions for an indefinite period of time and further amended on 24 May 2017. The Agreement may be terminated by either party with ninety (90) calendar days' prior written notice.

The Depositary Bank will:

- a) Ensure that the sale, issue, repurchase and cancellation of securities effected by the Fund or on its behalf takes place in conformity with the law and in conformity with the statutes of the Fund;
- b) Ensure that the value of the units of the Fund is calculated in accordance with the law and in conformity with the statutes of the Fund;
- c) Carry out the instructions of the management company or an investment company, unless they conflict with the applicable national law, or with the fund rules or the instruments of incorporation;

- d) Ensure that in those transactions concerning the assets of the Fund, consideration is transmitted to the Depositary within the customary market period;
- e) Ensure that the income produced by the Fund is allocated in accordance with the law and in conformity with the statutes of the Fund.

The Depositary Bank may delegate to delegates and sub-delegates only the functions relating to the safekeeping of Financial Instruments to be held in custody subject to the requirements set under the Investment Fund Law and UCITS V. These delegates and sub-delegates may, in turn, sub-delegate those functions, subject to the same requirements. The up-to-date list of delegates and sub-delegates is available for consultation to the shareholders of the Fund at <http://www.lu.tr.mufg.jp/about/depositaryservices.html>. A paper copy is available free of charge upon request.

In addition, UCITS V imposes new requirements on depositary banks in relation to conflicts of interest.

The Depositary Bank makes every effort to avoid conflicts of interest in the conduct of its business to comply with its regulatory obligations by putting in place appropriate measures to identify, prevent, monitor, manage and mitigate every potential conflict of interest that may occur between the Bank (or one or more entities belonging to the Bank) and its clients, in particular collective investment schemes ("**Funds**") and the Fund's shareholders ("**Shareholders**").

#### **CRITERIA FOR IDENTIFICATION OF CONFLICTS OF INTEREST**

When identifying situations in which a conflict of interest may arise, the Depositary Bank shall take into consideration the interests of the Shareholder, the interests of the Fund and the duty of the Depositary Bank towards the Fund and its Shareholder.

For the purposes of identifying the types of conflicts of interest which may arise, the Depositary Bank will consider whether:

- (i) the Depositary Bank,

- (ii) a Director or Managing Director of the Depositary Bank,
- (iii) an employee of the Depositary Bank, as well as any other natural person whose services are placed at the disposal and under the control of the Depositary Bank and who is involved in the provision by the Depositary Bank of central administration / depositary services,
- (iv) a natural person who is directly involved in the provision of services to the Depositary Bank under a delegation arrangement to third parties for the purposes of the provision by the Depositary Bank of central administration / depositary services
- (v) a person directly or indirectly linked by way of control to the Depositary Bank, is in any of the following situations, whether as a result of providing central administration / depositary services or otherwise:
  - (a) is likely to make a financial gain, or avoid a financial loss, at the expense of the Depositary Bank;
  - (b) has an interest in the outcome or a service or an activity provided to the Depositary Bank or of a transaction carried out on behalf of the Depositary Bank, which is distinct from the Depositary Bank;
  - (c) has a financial or other incentive to favor the interest of someone else over the interest of the Depositary Bank;
  - (d) carries on the same activities for the Depositary Bank and for another client or clients which are not the Depositary Bank;
  - (e) receives or will receive from a person other than the Depositary Bank an inducement in relation to central administration / depositary activities provided by the Depositary Bank, in the form of monies, goods or services, other than the standard commission or fee for that service.

In order to identify all possible types of conflict of interest arising from the combined provision of central administration / depositary and/or ancillary services and other activities, a list of the potential situations of conflict of interest which the Depositary Bank could face has been developed as a result of its activities or the services it provides under the different regulations.

## **MAIN POTENTIAL CONFLICT OF INTEREST IDENTIFIED BY THE DEPOSITARY BANK**

Here below are the main potential conflicts of interest identified by the Depositary Bank:

- Potential conflicts of interest between the Depositary Bank and affiliated companies: the Depositary Bank must compensate an affiliated company fairly for all products or services. The Depositary Bank must never oblige the affiliated company to bear expenses, which are due to the Depositary Bank.
- Potential conflicts of interest related to a link or a group link between the Management Company or the Board of Directors and the Depositary Bank : where a link or group link exists between them, the Management Company or the Board of Directors and the Depositary Bank, shall put in place policies and procedures ensuring that they identify all conflicts of interest arising from that link and they take all reasonable steps to avoid those conflicts of interest.
- Potential conflict of interest related to the independence of management boards and supervisory functions where a group link exists between them, the Management Company or the Board of Directors and the Depositary Bank.

## **MEASURES TO BE ADOPTED IN ORDER TO MANAGE SUCH CONFLICTS**

The procedures to be followed and measures to be adopted shall include the following where necessary and appropriate for the Depositary Bank to ensure the requisite degree of independence.

- (i) effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of information may harm the interests of one or more Funds;
- (ii) the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in



relation to those activities;

(iii) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities;

(iv) measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate collective management activities where such involvement may impair the proper management of conflicts of interest.

Where the adoption or the practice of one or more of these measures and procedures does not ensure the requisite degree of independence, the Depositary Bank will adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes on a case by case basis.

In addition, the Depositary Bank acting as depositary bank shall ensure that while carrying out its functions of depositary, acts honestly, fairly, professionally and independently, solely in the interest of the Shareholders.

#### **RECORDKEEPING AND REPORTING REQUIREMENTS**

The Depositary Bank will maintain and regularly update a record of the types of central administration / depositary activities undertaken by or on its behalf in which a conflict of interest involving a material risk of damage to the interests of one or more of the Funds / unitholders has arisen.

In the event that any of the procedures and/or measures applied by the Management Company to manage any actual or potential conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interest of the relevant Funds or its unitholders will be prevented, the designated person nominated by the Depositary Bank as responsible for compliance must be promptly informed in order for the Depositary Bank to take any necessary decision to ensure that the Depositary Bank acts in the best interests of the relevant Funds and of the unitholders.

The Depositary Bank shall report those situations referred to in the preceding paragraph to investors by an appropriate durable medium and give reasons for its decision.

Where the central administration / Depositary Bank cannot ensure that the conflicts of interest procedures in place are sufficient to avoid damage to the Funds or its unitholders, the central administration / Depositary Bank is obliged to report such cases to the designated person within the Depositary Bank responsible for compliance and ensure that any decision taken by the senior management of the central administration / Depositary Bank (made in conjunction with the designated person responsible for compliance within the Depositary Bank), will ensure that it acts in the best interests of the Funds/Fund and of its unitholders / Shareholders. Any such instances must be reported to the Shareholders in accordance with the requirements outlined above.

For more information related to conflict of interests, the detailed conflicts of interest policy of the Depositary Bank is accessible to investors at: <http://www.lu.tr.mufig.jp/about/depositaryservices.html>

A paper copy is available free of charge upon request.

Up-to-date information regarding the Depositary Bank, its delegates and sub-delegates and the conflicts of interests that may arise from such a delegation will be made available to investors on request.

Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. shall also act as paying agent for the Fund in connection with the receipt of payments in respect of the issue of shares, the payment of monies in respect of the repurchase of the shares and if applicable the payment of dividends.

In consideration of its services as Depositary Bank, Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. will receive a depositary fee out of the assets of the Fund as specified in the Sub-Funds' specifics in Part B of the Prospectus.

## 19. DISTRIBUTORS

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The Management Company may appoint distributors.

The Distributor fee shall be paid from investment management fee.

A Mutual Fund Electronic Platform is accessible for distribution purposes.

## 20. CONFLICTS OF INTEREST

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The Management Company has established and implemented an effective conflicts of interest policy. This policy identifies in particular the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Fund, taking also into account the relationships with other members of Mitsubishi UFJ Financial group. This policy also includes procedures to be followed and measures to be adopted in order to manage such conflicts of interest. The conflicts of interest policy is available for inspection at the registered office of the Management Company.

## 21. MONEY LAUNDERING PREVENTION

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Any shareholder will have to establish its identity to the Fund, the Central Administration or to the intermediary which collects the Subscription, provided that the intermediary is regulated and located in a country that imposes an identification obligation equivalent to that required under Luxembourg law. Such identification shall be evidenced when subscribing for shares as follows:

In order to appropriately identify the beneficial owners of the funds invested in the Fund and to contribute to the fight against money laundering and financing of terrorism, subscription requests to the Fund by investors must include:

- In the case of natural persons: a certified and valid copy of the investor 's identity card or passport (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, Police commissioner, Bank domiciled in a country that imposes an identification

obligation equivalent to that required under Luxembourg law or any other competent authority);

- For corporate entities: an original or a certified and valid copy of the Statutes of incorporation, an extract of the register of commerce the list of shareholders of the Fund and the identification documents of those holding more than 25% of the assets of the Fund (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, Police commissioner, Bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority);

This identification obligation applies in the following cases:

- Direct subscriptions to the Fund;
- Subscription via an intermediary which is domiciled in a country in which it is not legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing, (including foreign subsidiaries or branches of which the parent Fund is subject to an identification procedure equivalent to the one required by Luxembourg law if the law applicable to the parent Fund does not oblige the parent Fund to ensure the application of these measures by its subsidiaries or branches).

Subscriptions may be temporarily suspended until identification of the investors has been appropriately performed. Failure to provide sufficient or additional information may result in an application not being processed or an investor being rejected.

The Central Administration of the Fund may require at any time additional documentation relating to an application for shares.

## 22. NOMINEE FOR SHAREHOLDERS

The Fund may enter into nominee agreements.

In such case, the nominee shall, in its name but as Nominee for the investor, purchase, request the conversion or request the redemption of shares for the investor and request registration of such operations in the Fund's books. However, the investor:

- a) may invest directly in the Fund without using the Nominee service;
- b) has a direct claim on its shares subscribed in the Fund;
- c) may terminate the mandate at any time with prior written notice.

The provisions under a), b) and c) are not applicable to shareholders solicited in countries where the use of the service of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Fund will ensure that the nominee presents sufficient guarantees for the proper execution of its obligations toward the investors who utilise its services. In particular, the Fund will ensure that the nominee is a professional duly authorised to render nominee services and domiciled in a country in which it is legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing.

## 23. EXPENSES

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The Fund shall bear the following expenses:

- All fees to be paid to the Management Company, the Central Administration, the Investment Manager(s), the Sub-Investment Manager(s), the Investment Advisor(s) (if any) , the Depositary Bank and any other agents that may be employed from time to time;

- All taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- Standard brokerage and bank charges incurred on the Fund's business transactions;
- All fees due to the Auditor and the Legal Advisors to the Fund;
- All expenses connected with publications and supply of information to shareholders, in particular and where applicable, the cost of drafting, printing and distributing the annual and semi-annual reports, as well as any prospectuses;
- All expenses involved in registering and maintaining the Fund registered with all governmental agencies and stock exchanges;
- All other fees and expenses incurred in connection with its operation, administration, its management and distribution.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

Each Sub-Fund can amortise its own expenses of establishment over a period of five (5) years as of the date of its creation. The expenses of first establishment will be exclusively charged to the Sub-Funds opened at the incorporation of the Fund and shall be amortised over a period not exceeding five (5) years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Fund will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

The different Sub-Funds of the Fund have a common generic denomination and one or several investment advisors and/or investment managers which determine their investment policy and its application to the different Sub-Funds in question via a

single Board of Directors of the Fund. Under Luxembourg law, the Fund including all its Sub-Funds is regarded as a single legal entity. However, pursuant to Article 181 of the Investment Fund Law, as amended, each Sub-Fund shall be liable for its own debts and obligations. In addition, each Sub-Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

## 24. SHAREHOLDERS' INFORMATION

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Notices to shareholders are available at the Fund's registered office. If required by law, they will be published on RESA and a newspaper in Luxembourg and in other newspapers circulating in jurisdictions in which the Fund is registered as the Directors may determine.

The Net Asset Value of each Sub-Fund and the issue and redemption prices thereof will be available at all times at the Fund's registered office.

Audited annual reports will be made available at the registered office of the Fund no later than four (4) months after the end of the financial year and unaudited semi-annual reports will be made available two (2) months after the end of such period.

All reports will be available at the Fund's registered office.

Shareholders have the right to complain free of charge in the official language or one of the official languages of the relevant country of distribution.

Shareholders have the possibility to lodge their complaints at the registered office of the Management Company: 287-289, route d'Arlon, L-1150 Luxembourg and/or directly with their local distributors and/or paying agents of the relevant country of distribution.

## 25. LIQUIDATION OF THE FUND, TERMINATION OF THE SUB-FUNDS AND CLASSES OF SHARES, MERGER

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### 25.1 Liquidation of the Fund

In the event of the liquidation of the Fund, liquidation shall be carried out by one or several liquidators appointed by the meeting of the shareholders deciding such dissolution and which shall determine such dissolution and which shall determine their powers and their compensation. The liquidators shall realise the Fund's assets in the best interest of the shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the shareholder in proportion to their share in the Fund. Any amounts not claimed promptly by the shareholders will be deposited at the close of liquidation in escrow with *the Caisse de Consignation*. Amounts not claimed from escrow within the statute of limitations will be forfeited according to the provisions of Luxembourg law.

### 25.2 Termination of a Sub-Fund or a Class of Shares

A Sub-Fund or Class may be terminated by resolution of the Board of Directors of the Fund if the Net Asset Value of a Sub-Fund or of a Class is below an amount as determined by the Board of Directors from time to time, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if necessary in the interests of the shareholders or the Fund. In such event, the assets of the Sub-Fund or Class will be realised, the liabilities discharged and the net proceeds of realisation distributed to shareholders in proportion to their holding of shares in that Sub-Fund or Class. Notice of the termination of the Sub-Fund or Class will be given in accordance with Luxembourg Law.

In accordance with the provisions of the Investment Fund Law, only the liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund as referred to in Article 145 of the Investment Fund Law. In this case, and as from the event given rise to the liquidation of the Fund, and under penalty of nullity, the issue of shares shall be prohibited except for the purpose of liquidation.



Any amounts not claimed by any shareholder shall be deposited at the close of liquidation with the Depositary Bank during a period of six (6) months; at the expiry of the six (6) months' period, any outstanding amount will be deposited in escrow with the Caisse de Consignation.

Unless otherwise decided in the interest of, or in order to ensure equal treatment between shareholders, the shareholders of the relevant Sub-Fund or Class may continue to request the redemption of their shares or the conversion of their shares, free of any redemption and conversion charges (except disinvestment costs) prior the effective date of the liquidation. Such redemption or conversion will then be executed by taking into account the liquidation costs and expenses related thereto.

### 25.3 Merger

The Board of Directors of the Fund shall be competent to decide on the effective date of any merger of the Fund, any Sub-Fund or any Class of shares with another UCITS, sub-fund of a UCITS or class of shares of a UCITS. The shareholders will be notified of such merger in accordance with Luxembourg law and shall have at least thirty (30) days as of the date of notification to request the repurchase or conversion of their shares free of charge.

Where the merger results in the cessation of the Fund, a general meeting of shareholders shall decide by simple majority of the votes cast by the shareholders present or represented at such meeting on the effective date of such merger.

## 26. DILUTION ADJUSTMENT

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In calculating the Net Asset Value per Share, the Fund may, at its discretion, on any Dealing Day when there are net subscriptions or net redemptions adjust the Net Asset Value per Share by applying a dilution adjustment to cover actual dealing costs such as trading costs, sub-custodian fees and taxes which occur when

subscriptions and redemptions taken place, to preserve the value of the underlying assets of the relevant Sub Fund. The purpose of the dilution adjustment is to protect existing Shareholders from bearing the costs of subscriptions, redemptions or conversions and it is not operated with the intention of deriving a profit for the Fund, the Investment Manager or any other party. The specifics of the dilution adjustment are indicated in each Sub-Fund in Part B of this Prospectus.

## 27. DATA PROTECTION

Investors are informed that personal data (i.e. any information of any type regardless of the type of medium, including sound and image, relating to an identified or identifiable natural person ("Data Subject")) provided in connection with an investment in the Fund will be processed by the Management Company, as data controller, and the Administration, Registrar and Transfer Agent, as data processor, and their affiliates and agents (together hereafter the "Entities") in accordance with data protection law applicable in Luxembourg (including, but not limited to the amended Law of 2 August 2002 on the protection of persons with regard to the processing of personal data).

The Investors hereby explicitly acknowledge and agree that their personal data may be transferred to the Investment Manager or Entities outside of the European Union and stored and processed outside the European Economic Area, where data protection legislation may not provide the same protection as under European legislation.

Personal data will be processed for the purposes of carrying out the services provided by the Entities (such as unitholder servicing and account management including processing subscription, conversion and redemption orders and unitholder's communications) as further described in this prospectus as well as to comply with legal or regulatory obligations including, but not limited to, legal or regulatory obligations under applicable law (such as maintaining the register of unitholders and recording orders), anti-money laundering and counter-terrorist financing law (such as carrying out customer due diligence) and tax law (such as reporting under the FATCA Law and the CRS Law and similar laws and regulations in Luxembourg or at EU level).

Personal data might also be used for marketing purposes (such as market research or in connection with investments) in other investment fund(s) managed by the Management Company or the Investment Manager(s) and their affiliates.

Investors are also informed that, in general practice, telephone conversations and instructions may be recorded, as proof of a transaction or related communication. Such recordings will be processed in accordance with data protection law applicable in Luxembourg and shall not be released to third parties, except in cases where the Management Company or/and the Administration, Registrar and Transfer Agent are compelled or entitled by laws or regulations or court order to do so.

Personal data shall be disclosed to third parties where necessary for legitimate business interests or required by laws and regulations or court order. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors or accountants as well as legal and financial advisers who may process the personal data for carrying out their services and complying with legal and regulatory obligations as described above.

By subscribing for Shares, investors consent to the aforementioned processing of their personal data and, in particular, the disclosure of their personal data to, and the processing of their personal data by, the various parties referred to above which may be located in countries outside the European Union which may not offer a similar level of protection as that under applicable data protection law in Luxembourg. Investors may obtain a complete list of the processing purposes, the relevant parties and their locations including the categories of personal data that may be disclosed, transferred and otherwise processed by them by contacting the Management Company. Investors acknowledge and accept that the Management Company or the Administration, Registrar and Transfer Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

Failure to provide relevant personal data requested in the course of their relationship with the Fund may prevent a Unitholder from exercising its rights in relation to its Shares and maintaining its holdings in the Fund. This failure may also need to be reported by the Management Company and/or the Administration, Registrar and Transfer Agent to the relevant Luxembourg authorities to the extent permitted and/or required by applicable law.

Insofar as the personal data provided by investors include personal data of their representatives and/or authorised signatories and/or shareholders and/or ultimate

beneficial owners, the investors confirm having secured their consent to the processing of their personal data as above described and, in particular, to the disclosure of their personal data to, and the processing of their personal data by, the various parties referred to above including in countries outside the European Union.

Data Subjects may request access to, rectification of or deletion of any personal data provided to or processed by any of the parties above in accordance with applicable law. In particular, Data Subjects may at any time object, on request and free of charge, to the processing of their personal data for direct marketing purposes. Data Subjects should address such requests to the Management Company at its registered office.

The Management Company will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the investors' personal data, except in the event of wilful negligence or gross misconduct of the Management Company.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to applicable legal minimum retention periods.

## 28. DOCUMENTS

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The following documents may be consulted and obtained at the Fund's registered office and the Depositary Bank:

- The Fund's full prospectus;
- The Fund's Key Investor Information Documents (KIID);
- The Fund's Articles of Incorporation;
- The Collective Portfolio Management Agreement between the Fund and MUFG Lux Management Company S.A.;

- The Investment Management Agreement between the Management Company and Mitsubishi UFJ Asset Management (UK) Ltd.;
- The Sub-Investment Management Agreement between Mitsubishi UFJ Asset Management (UK) Ltd. and Mitsubishi UFJ Trust and Banking;
- The Sub-Investment Management Agreement between Mitsubishi UFJ Asset Management (UK) Ltd. and MU Investments Co. Ltd.;
- The Fund Administration Services Agreement between the Management Company and Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.;
- The Depositary Bank, Domiciliary and Paying Agent Services Agreement between the Fund and Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.; and
- The Fund's annual and semi-annual financial report.

The KIIDs are also available on the website [www.uk.am.mufig.jp](http://www.uk.am.mufig.jp).

<b>PART B: THE SUB-FUNDS</b>
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***MUFG Asia Pacific ex Japan Equity High Growth Fund***

**SUB-FUND SPECIFICS**

1. Reference Currency of the Sub-Fund

The Reference Currency of the Sub-Fund is the United States dollar ("USD").

2. Investment Objective and Policy

The Sub-Fund invests primarily in marketable equity securities of Asia and Pacific countries (ex Japan) and companies whose headquarters are not in Asia Pacific countries (ex Japan) that generate over half of their profits from Asia and Pacific countries (ex Japan), including equity-related securities such as ADRs and GDRs, exchange traded funds and stock index futures. The Sub-Fund will invest without regard to market capitalization.

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a stock bottom-up selection approach with a mid-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager focuses on companies that can achieve strong earnings growth on the back of mid-long term growth driver and high ability of delivering earnings growth by making proper investment. The manager tries to identify this kind of characteristics by making bottom-up research focusing on finding out growth drivers and management's ability of making investment judgment.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but

will continue to apply until all reporting obligations under EU Savings Directive are complied with.

The reference rate of the Sub-Fund is MSCI AC Asia Pacific ex Japan Total Index, net dividends denominated in USD. The reference rate is indicated for information purposes only and the Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Investment Manager may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Investment manager may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "Bank Business Day").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "Reference NAV"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 5 p.m. New York time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter's 4 p.m. in London time on the Valuation Date.

## 7. Launch date

The launch date for the sub-fund was 21 February 2014.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares will be offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B" and "EURO I", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for



Classes "USD A", "USD B" and "USD I". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

No dilution adjustment will be imposed during the initial subscription period of JPY B class.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by

the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "GBP I", "USD I", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B and I shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

"EURO A", "EURO B" and "EURO I" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B" and "USD I" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD

USD I:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depositary Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp

For each subscription and each redemption, a dilution adjustment of a maximum of 0.2% may apply. This dilution adjustment shall cover costs such as trading costs, sub-custodian fees and taxes which occur when subscriptions and redemptions take place. The dilution adjustment will be paid into the assets of the Sub-Fund.

In addition the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including the annual tax as defined in Section 14.1 of Part A of this Prospectus excluding sub-depositary fee and other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 160 bps

EURO B, GBP B, GBP C, USD B and JPY B: 20bps

EURO I, GBP I, JPY I and USD I: 90 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 20 November 2013 and further amended on 29 May 2017 and 28 September 2017. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager was formed when The Mitsubishi Trust and Banking Corporation ("**MTB**") and UFJ Trust Bank Limited ("**UTB**") merged on 1 October 2005. MTB was established in Japan on 10 March 1927. UTB was established in Japan on 8 December, 1959. Both MTB and UTB were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under

management of 399 billion USD (as of September, 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

## 15. Foreign exchange transactions

### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law). Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

### 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

### 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, an independent of the asset management divisions of the Sub-Investment Manager's will check that these transactions are carried out under fair terms.

## ***MUFG Asia Pacific ex Japan Equity Income Growth Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the United States dollar ("USD").

#### **2. Investment Objective and Policy**

The Sub-Fund invests primarily in marketable equity securities of Asia and Pacific countries (ex Japan) and companies whose headquarters are not in Asia Pacific countries (ex Japan) that generate over half of their profits from Asia and Pacific countries (ex Japan), including equity-related securities such as ADRs and GDRs, exchange traded funds and stock index futures. The Sub-Fund will invest without regard to market capitalization.

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a stock bottom-up selection approach with a mid-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager focuses on companies that have above average dividend yield and have potential to increase dividend on the back of future earnings growth. The manager tries to identify this kind of characteristics by making bottom-up research focusing on future earnings growth prospects and management's attitude towards shareholder remuneration.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but will continue to apply until all reporting obligations under EU Savings Directive are complied with.



The reference rate of the Sub-Fund is MSCI AC Asia Pacific ex Japan Total Index, net dividends denominated in USD. The reference rate is indicated for information purposes only and the Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Investment Manager may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Investment manager may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "Bank Business Day").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "Reference NAV"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 5 pm New York time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The launch date for the sub-fund was 21 February 2014.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares will be offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B" and "EURO I", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for Classes "USD A", "USD B" and "USD I". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

No dilution adjustment will be imposed during the initial subscription period of JPY B class.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "GBP I", "USD I", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B and I shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

"EURO A", "EURO B" and "EURO I" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B" and "USD I" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depository Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp

For each subscription and each redemption, a dilution adjustment of a maximum of 0.2% may apply. This dilution adjustment shall cover costs such as trading costs, sub-custodian fees and taxes which occur when subscriptions and redemptions take place. The dilution adjustment will be paid into the assets of the Sub-Fund.

In addition the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including the annual tax as defined in Section 14.1 of Part A of this Prospectus excluding sub-depositary fee and other taxes (such as withholding tax, capital gain tax, VAT etc). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 160 bps

EURO B, GBP B, GBP C, USD B and JPY B: 20bps

EURO I, GBP I, JPY I and USD I: 90 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 20 November 2013 and further amended on 29 May 2017 and 28 September 2017. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager was formed when The Mitsubishi Trust and Banking Corporation ("**MTB**") and UFJ Trust Bank Limited ("**UTB**") merged on 1 October 2005. MTB was established in Japan on 10 March 1927. UTB was established in Japan on 8 December, 1959. Both MTB and UTB were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under management of 399 billion USD (as of September, 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

## 15. Foreign exchange transactions

### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law). Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

### 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

### 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, an



independent of the asset management divisions of the Sub-Investment Manager's will check that these transactions are carried out under fair terms.

## ***MUFG Asia Pacific ex Japan Equity Stable Growth Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the United States dollar ("USD").

#### **2. Investment Objective and Policy**

The Sub-Fund invests primarily in marketable equity securities of Asia and Pacific countries (ex Japan) and companies whose headquarters are not in Asia Pacific countries (ex Japan) that generate over half of their profits from Asia and Pacific countries (ex Japan), including equity-related securities such as ADRs and GDRs, exchange traded funds and stock index futures. The Sub-Fund will invest without regard to market capitalization.

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a stock bottom-up selection approach with a mid-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager focuses on companies that can achieve 1) long-term, 2) stable and 3) above-market growth regardless of external environment like macro-economic conditions. The manager tries to identify this kind of growth by making bottom-up research focusing on business model, management ability, financial stability and so on.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but will continue to apply until all reporting obligations under EU Savings Directive are complied with.

The reference rate of the Sub-Fund is MSCI AC Asia Pacific ex Japan Total Index, net dividends denominated in USD. The reference rate is indicated for information purposes only and the Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Investment Manager may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Sub-Investment Manager may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "Bank Business Day").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "Reference NAV"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 5 pm New York time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The launch date for the sub-fund was 27 December 2013.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares will be offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B" and "EURO I", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for Classes "USD A", "USD B" and "USD I". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

No dilution adjustment will be imposed during the initial subscription period of JPY B class.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "GBP I", "USD I", "JPY I", "EURO B", "GBP B", "USD B", "JPY B", "JPY B 2" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table.

Currently, all share classes except Class "JPY B 2" are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus. The "JPY B 2" Class is a distributing share class and shall pay a dividend to its shareholders, unless otherwise decided by the Fund. Dividends are calculated semi-annually at the end of February and August (hereinafter individually referred to as "Calculation Date" and collectively as "Calculation Dates") with the following formula:

$$\text{Distributing Dividend} = (a) \times \frac{(b)}{(c)} \times (d)$$

(a) All the income paid for Sub-Funds during the "Calculation Period" (where available)

(b) Average Daily AuM of "JPY B 2"

(c) Average Daily AuM of the Sub-Funds

(d) Number of days from the new subscription to the Calculation Date/ number of days Calculation Period (In case a new shareholder subscribes the shares during the Calculation Period. "New subscription" does not include a subscription by existing shareholders.)

\*"Calculation Period"=from the next day of the previous Calculation Date to the Calculation Date.

Holders of "JPY B2" Class on 1 business day after the Calculation Date shall be entitled to dividends. Any dividend will be declared 2 business days after the Calculation Date.

The dividend is paid within 3 weeks from each Calculation Date.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B and I shares are only accessible to institutional investors. JPY Class B and JPY Class B 2 shares are only accessible to institutional investors who are resident in Japan.

"EURO A", "EURO B" and "EURO I" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B" and "USD I" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B", "JPY B 2" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following initial minimum subscription/ holding amounts apply:

EURO A: 500 EUR

EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY B 2:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY B 2:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.





### 13. Expenses

Name of Classes	Currency of the Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depository Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY B 2	JPY	Up to 3%	Up to 3%	2bps	45bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp

For each subscription and each redemption, a dilution adjustment of a maximum of 0.20% may apply. This dilution adjustment shall cover costs such as trading costs, sub-custodian fees and taxes which occur when subscriptions and redemptions take place. The dilution adjustment will be paid into the assets of the Sub-Fund.

In addition the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

#### Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including the annual tax as defined in Section 14.1 of Part A of this Prospectus excluding sub-depositary fee and other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A : 160 bps

JPY B2 : 65bps

EURO B, GBP B, GBP C, USD B and JPY B : 20bps

EURO I, GBP I, JPY I and USD I : 90 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 20 November 2013 and further amended on 29 May 2017 and 28 September 2017. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager was formed when The Mitsubishi Trust and Banking Corporation ("**MTB**") and UFJ Trust Bank Limited ("**UTB**") merged on 1 October 2005. MTB was established in Japan on 10 March 1927. UTB was established in Japan on 8 December, 1959. Both MTB and UTB were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under management of 399 billion USD (as of September, 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

## 15. Foreign exchange transactions

### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law). Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

### 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

### 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange

transactions with the Sub-Investment Manager's proprietary account, an independent of the asset management divisions of the Sub-Investment Manager's will check that these transactions are carried out under fair terms.

## ***MUFG Asia Pacific ex Japan Equity Value Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the United States dollar ("USD").

#### **2. Investment Objective and Policy**

The Sub-Fund invests primarily in marketable equity securities of Asia and Pacific countries (ex Japan) and companies whose headquarters are not in Asia Pacific countries (ex Japan) that generate over half of their profits from Asia and Pacific countries (ex Japan), including equity-related securities such as ADRs and GDRs, exchange traded funds and stock index futures. The Sub-Fund will invest without regard to market capitalization.

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a proprietary valuation model which seeks to calculate fair pricing of stocks that might be mispriced by the markets, with the aim of achieving a stable excess return ratio through a disciplined approach to risk control.

The Sub-Investment Manager aims to earn consistent returns against the benchmark by comparing stock pricing across all stocks to identify stocks that are cheap relative to other stocks.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but will continue to apply until all reporting obligations under EU Savings Directive are complied with.

The benchmark of the Sub-Fund is MSCI AC Asia Pacific ex Japan Total Index, net dividends denominated in USD. The Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this benchmark.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Investment Manager may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Investment manager may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "Bank Business Day").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated, at the discretion of the Board of Directors of the Fund, upon prior request from shareholder (the "Reference NAV"). The Reference NAV will not apply to any subsequent subscription or redemption request.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 5 pm New York time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The launch date for each share class will be determined by the Board of Directors of the Fund.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares will be offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B" and "EURO I", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for



Classes "USD A", "USD B" and "USD I". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

No dilution adjustment will be imposed during the initial subscription period of JPY B class.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by

the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "GBP I", "USD I", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B and I shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

"EURO A", "EURO B" and "EURO I" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B" and "USD I" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD

JPY A: 50,000 JPY

JPY B: 1 JPY

JPY I: 50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depositary Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp

For each subscription and each redemption, a dilution adjustment of a maximum of 0.2% may apply. This dilution adjustment shall cover costs such as trading costs, sub-custodian fees and taxes which occur when subscriptions and redemptions take place. The dilution adjustment will be paid into the assets of the Sub-Fund.

In addition the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

#### Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including the annual tax as defined in Section 14.1 of Part A of this Prospectus excluding sub-depositary fee and other taxes (such as withholding tax, capital gain tax, VAT etc.) The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 160 bps

EURO B, GBP B, GBP C, USD B and JPY B: 20bps

EURO I, GBP I, JPY I and USD I: 80 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated []. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under management of 399 billion USD (as of September, 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

#### 15. Foreign exchange transactions

### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law).

Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

### 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

### 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, an independent division of the Sub-Investment Manager will check that these transactions are carried out under fair terms.

## ***MUFG Japan Equity Strategic Value Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the Japanese Yen ("JPY").

#### **2. Investment Objective and Policy**

The Sub-Fund primarily invests in marketable equity securities listed in Japan, including exchange traded funds and stock index futures, it being understood that:

- investments in exchange traded funds will always be made in compliance with the provisions of article 41, (1), e) of the Investment Fund Law; and
- investments in stock index futures will always be made in compliance with the provisions of article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Investment Fund Law.

The Sub-Fund applies the investment strategy developed by the Sub-Investment Manager based on a stock bottom-up selection approach with a mid-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager chiefly focuses on long-term company fundamentals in terms of business capacity and management resources. The investment approach is fully bottom-up and fieldwork and company interviews by experienced analysts add significant insight to the management of the strategy.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.

The reference rate of the Sub-Fund is TOPIX Total Index, denominated in JPY. The reference rate is indicated for information purposes only and the Sub-Investment



Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Investment Manager may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Sub-Investment Manager may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "**Bank Business Day**").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "**Reference NAV**"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 4pm, Tokyo time, on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The launch date for the Sub-Fund was March 20, 2015.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares will be offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B", "EURO I" and "EURO I 2", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for Classes "USD A", "USD B", "USD I" and "USD I 2". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within one (1) bank business day, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within four (4) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

## 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "EURO I 2", "GBP I", "USD I", "USD I 2", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B, I and I 2 shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

Class I 2 shares will be hedged, at share class level and prior to investment in the Sub-Fund, against the reference currency of the Sub-Fund. The Sub-Fund may use currency spot and forward contracts, and futures, options and options on futures on currencies, as described above under 2. The Sub-Fund intends in normal circumstances to hedge not less than 95% and not more than 105% of such currency exposure. Whenever changes in the value of such assets or in the level of subscriptions for, or redemptions of, Class I 2 shares may cause the hedging coverage to fall below 95% or exceed 105% of such assets, the Sub-Fund intends to engage in transactions in order to bring the hedging coverage back within those limits. For a description of the risks linked to Hedged Share Classes, please refer to Section 6. "Risk Factors", paragraph xii "Class Hedging risk".

"EURO A", "EURO B", "EURO I", and "EURO I 2" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B", "USD I" and "USD I 2" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
EURO I 2:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
USD I 2:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
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EURO B:	250,000 EUR
EURO I:	500 EUR
EURO I 2:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD
USD I 2:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of the Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depository Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
EURO I 2	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD I 2	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp

No dilution adjustment will be imposed.

In addition, the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

#### Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including sub-depository fee and the annual tax as defined in Section 14.1 of Part A of this Prospectus, but excluding all the other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 200 bps

EURO B, GBP B, GBP C, USD B and JPY B: 60bps

EURO I, EURO I 2, GBP I, JPY I, USD I and USD I 2: 130 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed MU Investments Co., Ltd ("MUI"), Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 13 March 2015. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager was MUI and was formed when Sanwa Asset Management Co, Ltd. ("SAM"), Tokai Asset Management Co, Ltd ("TAM") and Toyoshin Asset Management Co, Ltd. ("ToyoAM") merged on 2 April 2001. SAM was established in Japan on 18 June 1985. TAM was established in Japan on 1 August, 1985. ToyoAM was established in Japan on 16 June 1986. All of SAM, TAM and ToyoAM were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Trust and Banking Corporation, a company registered in Japan with assets under



management of 17billion USD (as of September 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

MUI shall not reimburse any expense related to the Distributor.

## ***MUFG Japan Equity Small Cap Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the Japanese Yen ("JPY").

#### **2. Investment Objective and Policy**

The Sub-Fund invests in marketable equity securities listed in Japan, including exchange traded funds and stock index futures, it being understood that:

- investments in exchange traded funds will always be made in compliance with the provisions of article 41, (1), e) of the Investment Fund Law; and
- investments in stock index futures will always be made in compliance with the provisions of article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Investment Fund Law.

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a stock bottom-up selection approach with a mid-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager focuses on idiosyncratic Japanese stocks with pioneering business models and long-term growth potential through economic cycles. Companies with sustainable growth potential are often smaller companies in a new industry or with a dominant technology in a niche area. The Sub-Investment manager tries to identify attractive Japanese small-cap companies, which are overlooked by other market participants, based on rigorous bottom-up research.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but

will continue to apply until all reporting obligations under EU Savings Directive are complied with.

The reference rate of the Sub-Fund is Russell Nomura Small Cap Total Index, denominated in JPY till the end of May 2018, whereas it will be MSCI Japan Small Cap (Gross), denominated in JPY, as from 1 June 2018. The reference rate is indicated for information purposes only and the Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Fund may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Sub-Fund may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments. Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "**Bank Business Day**").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "**Reference NAV**"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 4pm Tokyo time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The launch date for the Sub-Fund was March 20, 2015.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares have been offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B", "EURO I" and "EURO I 2", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price

of USD 100.00 for Classes "USD A", "USD B", "USD I" and "USD I 2". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

#### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3. Subscription – value date

Payment must be received within one (1) bank business day, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "EURO I 2", "GBP I", "USD I", "USD I 2", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B, I and I 2 shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

Class I 2 shares will be hedged, at share class level and prior to investment in the Sub-Fund, against the reference currency of the Sub-Fund. The Sub-Fund may use currency spot and forward contracts, and futures, options and options on futures on currencies as described above under 2. The Sub-Fund intends in normal circumstances to hedge not less than 95% and not more than 105% of such currency exposure. Whenever changes in the value of such assets or in the level of subscriptions for, or redemptions of, Class I 2 shares may cause the hedging coverage to fall below 95% or exceed 105% of such assets, the Sub-Fund intends

to engage in transactions in order to bring the hedging coverage back within those limits. For a description of the risks linked to Hedged Share Classes, please refer to Section 6. "Risk Factors", paragraph xii "Class Hedging risk".

"EURO A", "EURO B", "EURO I" and "EURO I 2" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B", "USD I" and "USD I 2" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ , Redemption Holding Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
EURO I 2:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
USD I 2:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
EURO I 2:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD
USD I 2:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of the Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depositary Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp



EURO I 2	EUR	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp
USD I 2	USD	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	75bps	7bps	2bps	1bp

No dilution adjustment will be imposed.

In addition, the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including sub-depositary fee and the annual tax as defined in Section 14.1 of Part A of this Prospectus, but excluding all the other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 200 bps

EURO B, GBP B, GBP C, USD B and JPY B: 60bps

EURO I, EURO I 2, GBP I, JPY I, USD I and USD I 2: 135 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 20 November 2013 and further amended on 29 May 2017 and 28 September 2017. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager was formed when The Mitsubishi Trust and Banking Corporation ("**MTB**") and UFJ Trust Bank Limited ("**UTB**") merged on 1 October 2005. MTB was established in Japan on 10 March 1927. UTB was established in Japan on 8 December, 1959. Both MTB and UTB were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under management of 399 billion USD (as of September 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

#### 15. Foreign exchange transactions

##### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the

Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law). Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

## 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

## 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, an independent of the asset management divisions of the Sub-Investment Manager's will check that these transactions are carried out under fair terms.

## ***MUFG Japan Equity Value Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the Japanese Yen ("JPY").

#### **2. Investment Objective and Policy**

The investment objective of the Sub-Fund is to seek excess return by utilising the quantitative approach of the proprietary valuation model, and to achieve long-term out-performance of the Tokyo Stock Exchange Stock Price Index (dividend included), TOPIX (the "Index").

The Sub-Fund shall invest at least two thirds of its total assets in equity and / or equity related securities (excluding convertibles) of companies domiciled in or exercising the predominant part of their commercial activities in Japan, which are listed and traded on stock exchanges in Japan, or dealt in on over-the-counter markets in Japan, with a particular focus on companies in the first section of the Tokyo Stock Exchange, through the use of a value style investment philosophy.

The remainder of the Sub-Fund's assets may be invested in equity and / or equity related securities of issuers not predominantly operating or having their registered office in Japan.

The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock and securities convertible into or exchangeable for such equity securities.

Investments will be selected by the Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd, upon recommendation of Mitsubishi UFJ Trust and Banking Corporation (the "Investment Advisor") on the basis of a theoretical stock price calculated using a proprietary valuation model, and stock screening based on active quantitative analysis by the Investment Advisor, with the aim of achieving a stable

excess return and a high level of information ratio through optimised portfolio construction and a disciplined approach to risk control. Although the market as a whole is efficient, stocks within it may be mispriced. The aim of the proprietary model is therefore to calculate the "fair value" of every stock based on publicly available information and investor sentiment and so as to have the means to outperform the Japanese equity market. Further information on the proprietary model may be obtained from the Investment Advisor upon request.

The performance of the Sub-Fund's portfolio of investments will be measured against the Index. The Index is a composite index of all the common stocks listed on the first section of the Tokyo Stock Exchange and is a measure of the changes in aggregate market value of those stocks. The Index is a 'dividend included' index and in calculating the 'dividend included' index the market value will be adjusted in the case of securities whose values are not 'dividend included', in order to make the Index more suitable for institutional investors to gauge total return on investment and evaluate investment performance. The base date for the Index shall be January 4, 1989.

The Investment Manager is, however, entitled at any time to change the Index where, for reasons outside the Investment Manager's control, the Index has been replaced by another index or where another index may reasonably be considered by the Investment Manager to have become the industry standard for the relevant exposure. Shareholders will be notified of any replacement of the Index with another index in writing and will also be informed in the next annual or half-yearly report of the Sub-Fund.

The Sub-Fund may engage in forward foreign exchange contracts for hedging purposes, to alter the currency exposure of the underlying assets, in accordance with the limits set out by the Investment Fund Law. The Sub-Fund may hedge currency exchange risk by entering into forward, futures and currency swap contracts and purchasing and selling put or call options on foreign currency and on foreign currency futures contracts within the limits set out by the Investment Fund Law. Because currency positions held by the Sub-Fund may not correspond with the asset position held, the performance may be strongly influenced by movements in the FX exchange rates.

The Sub-Fund will not be leveraged as a result of engaging in forward foreign exchange contracts, forward, futures and swap currency contracts, call options on foreign currency or foreign currency futures contracts.

The Sub-Fund may also utilise futures, forwards, options (writing and purchasing), swaps (including credit default swaps) and contracts for differences for hedging purposes.

Any changes to the investment objective of the Sub-Fund and any material changes to the investment policy may not be made without the approval of the CSSF. In the event of a material change in investment objective and / or if required by the CSSF, the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their shares prior to implementation of such change.

The Sub-Fund will be managed so as to be fully invested, other than during periods where the Investment Manager believes that a larger cash position is warranted.

The Sub-Fund's investments are subject to the investment restrictions as set out in 5.2 "Investment policy and restrictions of the Fund".

No assurance can be given that the Sub-Fund's investment objective will be achieved.

The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the investments.

It is not the current intention of the Sub-Fund to use financial derivative instruments for investment purposes. Should this intention change the Prospectus and these Sub-Fund specifics shall be amended accordingly.

The stock exchanges and markets in which the Sub-Fund is permitted to invest, is set-out in Section 5. "Investment Objectives and Policy" and the Investment Fund Law and should be read in conjunction with, and subject to, the Sub-Fund's investment objective and investment policy, as detailed above. With the exception of permitted investments in unlisted securities, investment will be restricted to those stock exchanges and markets mentioned above.

The Sub-Fund shall invest more than 50% of its total assets in securities, as defined under the Financial Instruments and Exchange Law of Japan (including equity securities, equity related securities and index tracking exchange traded funds) and index futures listed on stock exchanges in Japan. The Sub-Fund may derogate from this policy at the commencement of trading, in preparation for repurchase, or where market conditions so dictate.

While the Fund is generally authorised to invest in other open-ended UCIs, as set out in Section 5.2 "Investment policy and restrictions of the Fund", the Sub-Fund will not invest more than 10% of its Net Asset Value in such schemes.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

The Sub-Fund invests in Japanese equities and has a high level of volatility. The investment is more suitable for long-term investors.

Investors must thus be aware that they may not recover their initial investments.

Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

## 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "**Bank Business Day**").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated upon prior request from shareholder (the "**Reference NAV**"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

## 6. Valuation Point

The Valuation Point shall be after 4pm Tokyo time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

## 7. Launch date

The Sub-Fund was launched by way of a merger with "MU Japan Fund Plc - MU Japan Equity Value Fund", a sub-fund of MU Japan Fund Plc, an open ended investment company with variable capital incorporated in Ireland, having its registered office at Ormonde House 12-13 Lower Leeson Street Dublin 2 Ireland on 28 September 2017

## 8. Subscription

### 8.1 Initial subscription



The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

#### 8.2 Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4 pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

#### 8.3 Subscription – value date

Payment must be received within one (1) bank business day, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day **until 4pm in** Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be paid within four (4) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date .

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

USD I and JPY I in the Sub-Fund are currently in issue and are offered to investors at their Net Asset Value per share (plus duties and charges, where relevant).

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "EURO I 2", "GBP I", "USD I", "USD I 2", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B, I and I 2 shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

Class I 2 shares will be hedged, at share class level and prior to investment in the Sub-Fund, against the reference currency of the Sub-Fund. The Investment Manager may use currency spot and forward contracts, and futures, options and options on futures on currencies as described above under 2. The Sub-Fund intends in normal circumstances to hedge not less than 95% and not more than 105% of such currency exposure. Whenever changes in the value of such assets or in the level of subscriptions for, or redemptions of, Class I 2 shares may cause the hedging coverage to fall below 95% or exceed 105% of such assets, the Sub-Fund intends to engage in transactions in order to bring the hedging coverage back

within those limits. For a description of the risks linked to Hedged Share Classes, please refer to Section 6. "Risk Factors", paragraph xii "Class Hedging risk".

"EURO A", "EURO B", "EURO I" and "EURO I 2" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B", "USD I" and "USD I 2" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
EURO I 2:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD
USD I:	100,000 USD
USD I 2:	100,000 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A:	500 EUR
EURO B:	250,000 EUR
EURO I:	500 EUR
EURO I 2:	500 EUR
GBP A:	500 GBP
GBP B:	250,000 GBP
GBP C:	500 GBP
GBP I:	500 GBP
USD A:	500 USD
USD B:	250,000 USD
USD I:	500 USD
USD I 2:	500 USD
JPY A:	50,000 JPY
JPY B:	1 JPY
JPY I:	50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are treated equally.

### 13. Expenses

Name of Classes	Currency of Classes	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depository Fee	Annual Tax
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	Up to 60 bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
EURO I 2	EUR	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	Up to 60 bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	60bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	Up to 60 bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	Up to 300 bps	7bps	2bps	1bp
USD I 2	USD	Up to 3%	Up to 3%	2bps	Up to 300 bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	Up to 60 bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	Up to 300 bps	7bps	2bps	1bp

In addition, the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

#### Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including sub-depository fee and the annual tax as defined in Section 14.1 of this Prospectus, but excluding all the other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 200 bps

EURO B, GBP B, GBP C, USD B and JPY B: 60bps

EURO I, EURO I 2, GBP I, JPY I, USD I and USD I 2: 120 bps

#### 14. Investment Advisor

The Investment Manager has appointed the Investment Advisor to act as investment advisor to the Sub-Fund. The Investment Advisor will provide the Investment Manager with continuing investment advice to assist in the implementation by the Investment Manager of the investment objectives and investment policies of the Sub-Fund.

The Investment Advisor was formed when The Mitsubishi Trust and Banking Corporation ("MTB") and UFJ Trust Bank Limited ("UTB") merged on 1 October 2005. MTB was established in Japan on 10 March 1927. UTB was established in Japan on 8 December, 1959. Both MTB and UTB were authorised and regulated by the Japanese Financial Services Authority in the conduct of financial services and investment management activities and the Investment Advisor continues to be authorised and regulated as such.

The Investment Advisor is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan. As of September 2017, the Investment Advisor had assets under management of USD 399 billion. The Investment Advisor specialises in the provision of fund management and advisory services on a range

of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

The Investment Advisory Agreement provides that the Investment Advisor will advise on the portfolio of the Sub-Fund in conformity with the investment objectives, policy and restrictions of the Sub-Fund as contained in the Prospectus and these Sub-Fund specifics.

The Investment Advisor is free to render investment advisory services to others and to engage in other activities. The Investment Advisor's fee will be paid by the Investment Manager out of its own fee.

## ***MUFG Japan Equity Sustainable Growth Fund***

### **SUB-FUND SPECIFICS**

#### **1. Reference Currency of the Sub-Fund**

The Reference Currency of the Sub-Fund is the Japanese Yen ("JPY").

#### **2. Investment Objective and Policy**

- The Sub-Fund mainly invests in marketable equity securities listed in Japan, including stock index futures, it being understood that investments in stock index futures will always be made in compliance with the provisions of article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Investment Fund Law.

invest in exchange traded funds listed in Japan in compliance with the provisions of Articles 2 (2), 41 (1) (e) and, the overall limit of 30% of, Article 46 (2) of the Investment Fund Law;

The Sub-Fund applies the investment strategy developed by the Investment Manager based on a bottom-up stock picking approach with a mid-to-long term view, typically over a three to five year horizon and beyond.

The Sub-Investment Manager focuses on Japanese stocks with consistent growth potential in profitability over the mid-to-long term, based on meetings with the management of, due diligence, fundamental research and analysis on, the companies issuing such stocks. The manager meets regularly and has a dialogue/engagement with the management of the companies issuing the stocks targeted by the Sub-Fund to gain real insight and understanding into the companies and on the criteria of management, their strategy, their competitive advantage in the market, also taking into account the companies' environmental, social and governance management ("ESG management") i.e. their attitude towards environmental, social, and corporate governance issues. This approach enables the manager to build a concentrated portfolio of such companies with an ability to



sustain a consistent track record of strong earnings growth through economic cycles.

Secondarily, the Sub-Fund may invest in cash, cash equivalents and short-term fixed income securities. The Sub-Fund will invest less than 15% in interest-bearing securities as defined by Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"). The EU Savings Directive has been repealed by Directive 2015/2060/EU of 10 November 2015 but will continue to apply until all reporting obligations under EU Savings Directive are complied with.

The reference rate of the Sub-Fund is TOPIX Total Index, denominated in JPY. The reference rate is indicated for information purposes only and the Sub-Investment Manager does not intend to track it. The Sub-Fund can deviate from this reference rate.

The Sub-Fund may enter into currency financial derivative instruments for efficient portfolio management and hedging purposes only.

The Sub-Fund may hedge positions in currencies other than the base currency of the Sub-Fund. Where such hedging is undertaken, the Sub-Fund may use currency spot and forward contracts, and futures, options and options on futures on currencies.

### 3. Risk Profile

The risk factors specific to this Sub-Fund are mostly market and currency risks. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The global exposure of the Sub-Fund will be calculated on the basis of the Commitment Approach.

### 4. Profile of the Typical Investor

This Sub-Fund may be appropriate for investors who seek capital appreciation over the long-term. The Sub-Fund will mainly invest its assets in equities and a remaining smaller portion of its assets will be invested in cash, cash equivalents and short-term fixed income securities. Although history has shown that shares have the potential to give better long-term returns than cash equivalents or bonds, they also proved to be more volatile. This Sub-Fund is suitable for investors being comfortable with levels of high risks.

Investors must thus be aware that they may not recover their initial investments. Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

#### 5. Valuation Date

The Valuation Date shall be every full bank business day in Luxembourg, Japan and the UK (the "**Bank Business Day**").

In the case, that the last day of a month (excluding Saturday and Sunday) is not Bank Business Day, the NAV as of that day would be calculated, at the discretion of the Board of Directors of the Fund, upon prior request from shareholder (the "**Reference NAV**"). The Reference NAV will not apply to any Subsequent Subscription or redemption.

In the case as described above, no additional fees will be charged for the calculation of the Reference NAV upon shareholder's request.

#### 6. Valuation Point

The Valuation Point shall be after 4pm Tokyo time on the Valuation Date. However, the Valuation Point for the currency rate shall be at Reuter 4pm in London on the Valuation Date.

#### 7. Launch date

The launch date for each share class will be determined by the Board of Directors of the Fund.

## 8. Subscription

### 8.1. Initial subscription

During the initial subscription period shares have been offered at a price of EUR 100.00 per share for Classes "EURO A", "EURO B", "EURO I" and "EURO I 2", a price of GBP 100.00 for Classes "GBP A", "GBP B", "GBP C" and "GBP I" and a price of USD 100.00 for Classes "USD A", "USD B", "USD I" and "USD I 2". The shares of the Classes "JPY A", "JPY B" and "JPY I" are offered at a price of JPY 10,000.00 per share.

The initial subscription period for each share class will be determined by the Board of Directors of the Fund. The initial subscription period may be one single day only.

### 8.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date. Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until 4pm Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions must only be made in amounts and not in a number of shares.

### 8.3. Subscription – value date

Payment must be received within one (1) bank business day, in Luxembourg, Japan, UK and United States of the applicable Valuation Date. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the investor.

#### 9. Redemption / cut-off time

Shareholders are entitled to redeem their shares on each Valuation Date. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemption payments will be made within three (3) bank business days, in Luxembourg, Japan, UK and United States, of the applicable Valuation Date.

#### 10. Conversion /cut-off time

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 4pm in Luxembourg before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### 11. Classes available and income policy

The Classes available in this Sub-Fund are "EURO A", "GBP A", "USD A", "JPY A", "EURO I", "EURO I 2", "GBP I", "USD I", "USD I 2", "JPY I", "EURO B", "GBP B", "USD B", "JPY B" and "GBP C". The specific fees applicable to them are listed in the table in section "Expenses" below. The reference currency of the Class is also available in the second column of this table. Currently, all share classes are accumulating share classes according to information in section "Income Policy" in Part A of this Prospectus.

Class A shares are accessible to all investors whereas Class C shares are only accessible to retail investors who are resident in the UK, and Class B, I and I 2

shares are only accessible to institutional investors. JPY Class B shares are only accessible to institutional investors who are resident in Japan.

Class I 2 shares will be hedged, at share class level and prior to investment in the Sub-Fund, against the reference currency of the Sub-Fund. The Sub-Fund may use currency spot and forward contracts, and futures, options and options on futures on currencies as described above under 2.. For a description of the risks linked to Hedged Share Classes, please refer to Section 6. "Risk Factors", paragraph xii "Class Hedging risk".

"EURO A", "EURO B", "EURO I" and "EURO I 2" Classes are denominated in euro (EUR).

"GBP A", "GBP B", "GBP C" and "GBP I" Classes are denominated in pounds sterling (GBP).

"USD A", "USD B", "USD I" and "USD I 2" Classes are denominated in United States dollars (USD).

"JPY A", "JPY B" and "JPY I" Classes are denominated in Japanese yen (JPY).

## 12. Minimum Subscription/ Holding, Redemption Amount

The following minimum initial subscription/ holding amounts apply:

EURO A:	500 EUR
EURO B:	50,000,000 EUR
EURO I:	100,000 EUR
EURO I 2:	100,000 EUR
GBP A:	500 GBP
GBP B:	50,000,000 GBP
GBP C:	500 GBP
GBP I:	100,000 GBP
USD A:	500 USD
USD B:	50,000,000 USD

USD I: 100,000 USD  
 USD I 2: 100,000 USD  
 JPY A: 50,000 JPY  
 JPY B: 1 JPY  
 JPY I: 10,000,000 JPY

The following minimum subsequent subscription/ redemption amounts apply:

EURO A: 500 EUR  
 EURO B: 250,000 EUR  
 EURO I: 500 EUR  
 EURO I 2: 500 EUR  
 GBP A: 500 GBP  
 GBP B: 250,000 GBP  
 GBP C: 500 GBP  
 GBP I: 500 GBP  
 USD A: 500 USD  
 USD B: 250,000 USD  
 USD I: 500 USD  
 USD I 2: 500 USD  
 JPY A: 50,000 JPY  
 JPY B: 1 JPY  
 JPY I: 50,000 JPY

The Board of Directors of the Fund may in its discretion waive this minimum subscription and/or holding amount. In such latter case, the Fund will ensure that concerned investors are equally treated.

### 13. Expenses

Name of Classes	Currency of the Class	Subscription Fee	Redemption Fee	Management Fee	Investment Management Fee	Central Administration Fee	Depository Fee	Annual Tax
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	ses							
EURO A	EUR	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
EURO B	EUR	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
EURO I	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
EURO I 2	EUR	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
GBP A	GBP	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
GBP B	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
GBP C	GBP	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	5bps
GBP I	GBP	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD A	USD	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
USD B	USD	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bps
USD I	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
USD I 2	USD	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp
JPY A	JPY	Up to 3%	Up to 3%	2bps	140bps	7bps	2bps	5bps
JPY B	JPY	Up to 3%	Up to 3%	2bps	0bps	7bps	2bps	1bp
JPY I	JPY	Up to 3%	Up to 3%	2bps	70bps	7bps	2bps	1bp

No dilution adjustment will be imposed.

In addition, the Classes shall bear other expenses such as banking, brokerage and transaction based fees, auditors' fees, legal fees and taxes.

An investor who subscribes converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

Total Expense Ratio ("TER") Cap Rate:

Each share class will have a set TER Cap Rate, as indicated below, including sub-depository fee and the annual tax as defined in Section 14.1 of Part A of this Prospectus, but excluding all the other taxes (such as withholding tax, capital gain tax, VAT etc.). The expenses over the TER Cap Rate will be covered by Mitsubishi UFJ Trust and Banking Corporation, Japan.

EURO A, GBP A, JPY A and USD A: 200 bps

EURO B, GBP B, GBP C, USD B and JPY B: 60bps

EURO I, EURO I 2, GBP I, JPY I, USD I and USD I 2: 130 bps

#### 14. Sub-Investment Manager

The Investment Manager, Mitsubishi UFJ Asset Management (UK) Ltd., which is responsible for the collective portfolio management of the Fund, has appointed Mitsubishi UFJ Trust and Banking Corporation, Japan, as Sub-Investment Manager of the Fund by a Sub-Investment Management Agreement dated 20 November 2013. The Sub-Investment Management Agreement may be terminated by either party giving three (3) months notice.

The Sub-Investment Manager is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a company registered in Japan with assets under management of 399 billion USD (as of September 2017). The Sub-Investment Manager specialises in the provision of fund management and advisory services on a range of products to authorities and pension funds in Japan. Its ultimate parent, Mitsubishi UFJ Financial Group, Inc., is a global financial institution involved in commercial banking, trust banking, credit card and personal finance operations.

#### 15. Foreign exchange transactions

##### 15.1 Foreign exchange transactions with proprietary account

As a financial institution authorized under Article 1, Clause 1 of the Act on the Provision of Trust Business (Japanese law) by Financial Institutions, in addition to carrying out investment management as a registered financial institution under the



Financial Instruments and Exchange Act (Japanese law), the Sub-Investment Manager also handles foreign exchange under the Banking Act (Japanese law).

Foreign exchange with the Sub-Investment Manager's proprietary account means that where managing foreign currency denominated securities as an asset manager, the Sub-Investment Manager carries out foreign exchange transactions for the purpose of trading such securities or exchanging interest or dividend payments into the Reference currency of the Sub-fund, with the Sub-Investment Manager's banking account.

## 15.2 Scope of transactions

Foreign exchange transactions and forward foreign exchange contracts.

## 15.3 Fair foreign exchange transactions

When carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, transaction terms and record keeping will be set out in the Sub-Investment Manager's internal guidelines, and these transactions will be carried out according to these rules. Also, when carrying out foreign exchange transactions with the Sub-Investment Manager's proprietary account, an independent division of the Sub-Investment Manager's will check that these transactions are carried out under fair terms.