

UNITED EUROPEAN SMALL AND MID CAP FUND

(Constituted in Singapore pursuant to the Deed of Trust dated 21 February 2000, as amended)

FIRST SUPPLEMENTARY PROSPECTUS DATED 30 May 2018

A copy of this First Supplementary Prospectus has been lodged with the Monetary Authority of Singapore, which assumes no responsibility for its contents.

This First Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the prospectus relating to the United European Small and Mid Cap Fund registered on 25 October 2017 (the "**Prospectus**").

Terms used in this First Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus and unless otherwise specified references to "**paragraph**" are to the paragraphs of the Prospectus. This First Supplementary Prospectus is to be read and construed in conjunction and as one document with the Prospectus.

This First Supplementary Prospectus sets out the amendments made to the Prospectus in relation to, inter alia, (i) changes to the names of the Underlying Fund, the umbrella fund of the Underlying Fund, the Management Company and the Investment Manager of the Underlying Fund and (ii) a change of directors of the Managers.

1. The following amendments will take effect from the date of this First Supplementary Prospectus:

- 1.1 All references to the name of the Underlying Fund, "Pioneer Funds - European Potential", are deleted and replaced with "Amundi Funds II - European Potential".
- 1.2 All references to the name of the umbrella fund of the Underlying Fund, "Pioneer Funds", are deleted and replaced with "Amundi Funds II".
- 1.3 All references to the name of the Management Company, "Pioneer Asset Management S.A.", are deleted and replaced with "Amundi Luxembourg S.A.".
- 1.4 All references to the name of the Investment Manager, "Pioneer Investment Management SGRpA", are deleted and replaced with "Amundi SGR S.p.A., Milan".
- 1.5 The section headed "**Directors of the Managers**" in the **DIRECTORY** of the Prospectus is deleted and replaced with the following:

"Directors of the Managers

Lee Wai Fai
Eric Tham Kah Jin
Peh Kian Heng
Thio Boon Kiat"

- 1.6 The section headed "**Auditors**" in the **DIRECTORY** of the Prospectus is deleted and replaced with the following:

"Auditors

PricewaterhouseCoopers LLP
7 Straits View
Marina One, East Tower, Level 12
Singapore 018936"

- 1.7 The sub-paragraph headed "Goh Yu Min, Director" in paragraph 2.2 is deleted and replaced with the following:

"Peh Kian Heng, Director

Mr Peh Kian Heng joined the UOB group in 2008 and is presently the Head of Corporate Investment Unit. Prior to joining UOB, he was an investment strategist at OCBC and spent the most part of his career with the Monetary Authority of Singapore, where his last appointment was Head of Financial Sector Surveillance. He graduated with

MA (Distinction) from the University of Warwick and BSocSci (2nd Upper Honours) from the National University of Singapore."

1.8 Paragraph 5.3(b) is deleted in its entirety and replaced with the following:

"(b) Investment objective of the Underlying Fund

The Underlying Fund seeks to increase the value of your investment over the recommended holding period*."

* In relation to the Underlying Fund, the recommended holding period is 6 years.

UNITED EUROPEAN SMALL AND MID CAP FUND

P r o s p e c t u s

DIRECTORY

Managers

UOB Asset Management Ltd
(Company Registration No. 198600120Z)
Registered office: 80 Raffles Place
UOB Plaza
Singapore 048624
Operating office: 80 Raffles Place
3rd Storey
UOB Plaza 2
Singapore 048624

Directors of the Managers

Lee Wai Fai
Eric Tham Kah Jin
Goh Yu Min
Thio Boon Kiat

Trustee

State Street Trust (SG) Limited
(Company Registration No. 201315491W)
168 Robinson Road
#33-01 Capital Tower
Singapore 068912

Custodian / Administrator / Registrar

State Street Bank and Trust Company, acting through its Singapore Branch
168 Robinson Road
#33-01 Capital Tower
Singapore 068912

Auditors

PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424

Solicitors to the Managers

Tan Peng Chin LLC
30 Raffles Place
#11-00 Chevron House
Singapore 048622

Solicitors to the Trustee

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

DEFINITIONS

Unless the context otherwise requires, terms defined in the Deed have the same meaning when used in this Prospectus and the following expressions have the following meanings, subject to the definitions in the Deed.

ATMs	Automated teller machines.
Authorised Investments	See <u>paragraph 5.6</u> of this Prospectus.
Authority	Monetary Authority of Singapore.
Business Day	A day (other than Saturday or Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time. The latest version is available at www.mas.gov.sg .
CSSF	Commission de Surveillance du Secteur Financier.
custodian	Includes any person or persons for the time being appointed as a custodian of the Fund or any of its assets.
Dealing Day	<p>In connection with the issuance, cancellation, valuation and realisation of Units, generally every Business Day. The Managers may change the Dealing Day with the Trustee's prior consultation, provided that the Managers give reasonable notice of such change to all Holders on terms approved by the Trustee.</p> <p>If on any day which would otherwise be a Dealing Day:</p> <ul style="list-style-type: none">(a) one or more Recognised Stock Exchanges or OTC Markets on which investments of the Fund are quoted, listed or dealt in are not open for normal trading; and/or(b) one or more underlying entities of the Fund do not carry out valuation or dealing, <p>and which affect investments of the Fund having in aggregate values amounting to at least 50% of the value of the Deposited Property of the Fund (as at the relevant Valuation Point), the Managers may determine that that day shall not be a Dealing Day.</p> <p>The Managers have also determined that a "Dealing Day" will exclude Business Days on which banks and the stock exchange are not open for business in Luxembourg.</p>
Dealing Deadline	The deadline set out in <u>paragraphs 8.3 and 10.1</u> or such other time as the Managers may determine subject to the provisions of the Deed.
Deed	See <u>paragraph 1.3</u> of this Prospectus.
Deposited Property	All the assets, including cash, and earnings on cash deposits, for the time being held or deemed to be held upon the trust of the Deed excluding any amount for the time being standing to the credit of the distribution account referred to in <u>Clause 17(D)</u> of the Deed.
EU	European Union.
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United European Small and Mid Cap Fund.

Gross Investment Amount	The amount paid by an investor for the purpose of investing in Units, before deduction of the applicable Subscription Fee.
Gross Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, before deduction of the applicable Realisation Charge.
Group Fund	A collective investment scheme the managers of which: <ul style="list-style-type: none"> (a) are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and (b) approve the terms of any switch which may be made pursuant to <u>Clause 11</u> of the Deed.
Holder	A unitholder of the Fund.
IGA	Intergovernmental agreement.
Investment Manager	Pioneer Investment Management SGRpA, the investment manager of the Underlying Fund.
Law of 17 December 2010	The Luxembourg law of 17 December 2010 on undertakings for collective investment.
Management Company	Pioneer Asset Management S.A., the management company of the Underlying Fund.
Management Regulations	The Management Regulations of Pioneer Funds.
Managers	UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund. References to “ we ”, “ us ” or “ our ” shall be construed accordingly to mean UOB Asset Management Ltd.
Net Investment Amount	The amount paid by an investor for the purpose of investing in Units, after deduction of the applicable Subscription Fee.
Net Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, after deduction of the applicable Realisation Charge.
Register	The register of Holders of the Fund.
RSP	Regular savings plan.
SFA	Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time.
Singapore dollars / SGD / S\$	The lawful currency of Singapore.
SRS	Supplementary Retirement Scheme.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
UCI	Undertaking for collective investment.
UCITS	Undertaking for Collective Investment in Transferable Securities governed by the UCITS Directive (as defined in Appendix 1).
Underlying Fund	See <u>paragraph 5.2</u> of of this Prospectus.
United States dollars / USD / US\$	The lawful currency of the U.S..

Units	Units of the Fund.
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the value of the Deposited Property is to be determined or such other time as the Managers may determine with the prior approval of the Trustee who shall decide if a notice to notify the Holders of such determination is required to be given by the Managers.
VaR	Value at Risk.

IMPORTANT INFORMATION

The collective investment scheme offered in this Prospectus is constituted in Singapore and is an authorised scheme under the SFA. A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund.

We have taken all reasonable care to ensure that the information in this Prospectus is, to the best of our knowledge and belief, accurate and does not omit anything which would make any statement in this Prospectus misleading.

You should refer to the Deed in conjunction with this Prospectus. A copy of the Deed is available for inspection at our operating office during normal business hours (subject to such reasonable restrictions as we may impose). If you are in any doubt about the contents of this Prospectus or the Deed, you should seek independent professional advice.

Before investing, you should consider the usual risks of investing and participating in collective investment schemes, and the risks of investing in the Fund which are set out in this Prospectus. Your investments can be volatile and there is no assurance that the Fund will be able to attain its objective. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Fund. You should only invest if you can sustain losses on your investment. You should satisfy yourself that investing in the Fund is suitable based on your personal circumstances.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and may only be used in connection with the offering of the Units as contemplated herein.

You should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the applicable legal requirements and (c) any foreign exchange restrictions or exchange control requirements, which you may encounter under the laws of the country of your citizenship, residence or domicile and which may be relevant to your subscription, holding or disposal of Units. We make no representation as to the tax status of the Fund. You should keep yourself informed of, and observe, all such laws and regulations in any relevant jurisdiction that may be applicable to you.

Units are offered on the basis of the information contained in this Prospectus and the documents referred to in this Prospectus. No person is authorised to give any information or make any representations concerning the Fund other than as contained in this Prospectus. Any investment made on the basis of information or representations not contained in or inconsistent with the information or representations in this Prospectus will be solely at your risk. This Prospectus may be updated from time to time to reflect material changes and you should check if a more recent Prospectus or supplement is available.

Units are not listed and you may only deal with Units through us or our authorised agents or distributors subject to the terms of the Deed.

Applications may be made in other jurisdictions to enable Units to be marketed freely in those jurisdictions.

Prohibition against U.S. investors

Units are being offered and sold outside the United States to persons that are not:

- (i) U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the U.S., as amended (the “**U.S. Securities Act**”)) in reliance on Regulation S promulgated under the U.S. Securities Act; or
- (ii) “United States persons” (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as “**U.S. Taxpayers**”). Currently, the term “**U.S. Taxpayer**” includes: a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

Units are not and may not be offered, made available, sold to or for the account of any U.S. Persons or U.S. Taxpayers. You may be required to declare that you are not a U.S. Taxpayer and that you are neither acquiring Units on behalf of U.S. Taxpayers nor acquiring Units with the intent to sell or transfer them to U.S. Taxpayers.

Foreign Account Tax Compliance Act and Common Reporting Standard (“CRS”)

FATCA

FATCA was enacted in 2010 by the United States Congress as part of the U.S. Hiring Incentives to Restore Employment (HIRE) Act to target non-compliance with tax laws by U.S. Taxpayers using overseas accounts. Under FATCA, financial institutions outside of the U.S. are required to regularly submit information on financial accounts held by U.S. Taxpayers to the U.S. tax authorities. Failure to comply with FATCA may, amongst other things, subject the Fund to U.S. withholding tax on certain types of payments made to the Fund. Accordingly, it is intended that the Fund complies with FATCA.

For the purpose of complying with FATCA, we, the Trustee and/or other service providers of the Fund may be required to report and disclose information on certain investors in the Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA entered into between the U.S. and Singapore¹ in connection with FATCA and/or withhold certain payments to such investors.

CRS

CRS, endorsed by the Organisation for Economic Co-operation and Development (OECD) and the Global Forum for Transparency and Exchange of Information for Tax Purposes, is an internationally agreed standard for the automatic exchange of information on financial accounts between jurisdictions with the objective of detecting and deterring tax evasion through the use of offshore bank accounts.

In Singapore, the Income Tax (International Tax Compliance Agreement) (Common Reporting Standard) Regulations 2016 require financial institutions such as us to conduct due diligence (including the collection, review and retention of financial account information) and report financial account information relating to specified persons from jurisdictions with which Singapore has a “competent authority agreement” (“CAA”) to the Inland Revenue Authority of Singapore (IRAS). Such information may subsequently be exchanged with Singapore’s CAA partners. Singapore may enter into further IGAs, or the relevant authorities may enact further legislation or impose further requirements, which will form part of the CRS.

* * *

You are required to:

- (a) provide such information, documents and assistance in connection with the above or any other tax or other information reporting regime as we and/or the Trustee may require from time to time; and
- (b) notify us or any of our authorised agents or distributors in writing immediately if you are or become a U.S. Taxpayer, or are holding Units for the account of or benefit of a U.S. Taxpayer.

You are also deemed to have consented to us, the Trustee and/or other service providers to the Fund carrying out our/their obligations in reporting and disclosing information on you and your investments to the relevant authorities as described above or pursuant to any other tax or other information reporting regime.

* * *

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 20.2 of this Prospectus.

You may direct your enquiries in relation to the Fund to us or our authorised agents or distributors.

You should note that both the Fund and the Underlying Fund may use or invest in FDIs. Further information is set out in paragraphs 5.3(c), 5.8 and 5.9 of this Prospectus. In particular, the Underlying Fund may invest in FDIs for hedging and/or for other purposes (including efficient portfolio management) to the fullest extent permitted in article 16 of the Management Regulations of the Pioneer Funds (set out in Appendix 1), and further information is set out in paragraph 5.3(c) of this Prospectus.

¹ Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions (such as us) will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore (IRAS), which will in turn provide the information to the U.S. tax authorities.

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UNITED EUROPEAN SMALL AND MID CAP FUND

PROSPECTUS

1. BASIC INFORMATION

1.1 Fund details

This is a Prospectus for United European Small and Mid Cap Fund.

The Fund is an open-ended, stand-alone unit trust constituted in Singapore with no fixed maturity.

The Fund is denominated in SGD.

1.2 Date of registration and expiry of Prospectus

The Authority registered this Prospectus on 25 October 2017. It is valid up to 24 October 2018 and will expire on 25 October 2018.

1.3 Deed of trust and supplemental deeds

- (a) The Fund was constituted by way of a deed of trust dated 21 February 2000, which has since been amended by the following deeds:

First Supplemental Deed	28 December 2001
First Amendment Deed	10 December 2002
Second Amendment Deed	1 July 2003
Third Amendment Deed	30 December 2004
Fourth Amendment Deed	30 December 2005
Fifth Amendment Deed	28 December 2006
Sixth Amendment Deed	29 June 2007
Seventh Amendment Deed	21 December 2007
Eighth Amendment Deed	1 July 2008
Ninth Amendment Deed	16 December 2008
Tenth Amendment Deed	29 May 2009
Eleventh Amendment Deed	8 December 2009
Twelfth Amendment Deed	30 November 2010
Supplemental Deed of Appointment and Retirement of Trustee	26 January 2011
Thirteenth Amendment Deed	16 September 2011
Fourteenth Amendment Deed	3 November 2014
First Supplemental Deed	23 April 2015
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Second Supplemental Deed	3 April 2017
Third Supplemental Deed	25 October 2017

The trust deed dated 21 February 2000, as amended, shall be referred to as the “**Deed**”.

- (b) The Deed is binding on each Holder and all persons claiming through such Holder as if each of them had been a party to the Deed.
- (c) You may inspect a copy of the Deed free of charge at our operating office during normal business hours subject to such reasonable restrictions as we may impose. You may request for a copy at a charge not exceeding S\$25 per copy or such other amount as we and the Trustee may from time to time agree.

1.4 Accounts and reports

You may obtain copies of the latest semi-annual and annual reports, semi-annual and annual accounts, and the auditors' report on the annual accounts of the Fund, at our operating office during normal business hours (subject to such reasonable restrictions as we may impose).

2. THE MANAGERS, THEIR DIRECTORS AND KEY EXECUTIVES AND THE MANAGEMENT OF THE UNDERLYING FUND

2.1 The Managers

The Managers are UOB Asset Management Ltd (“UOBAM”).

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“UOB”). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has two joint ventures: Ping An UOB Fund Management Company Ltd and UOB-SM Asset Management Pte Ltd. In addition, it also has a strategic alliance with UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 August 2017, UOBAM manages 58 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM’s investments team conducts independent and rigorous fundamental research within a proven investment process and framework. In equities, UOBAM’s team has acquired specialist skills in investment in global markets and major global sectors. It combines a disciplined research effort that aims to identify and invest in high performing businesses at the right price, with a systematic model portfolio construction process, to diversify sources of alpha to achieve more consistent performance over time. In fixed income, UOBAM’s coverage spans a wide spectrum comprising G10 government bonds, developed market corporate bonds, Asia sovereigns and corporates, emerging market bonds and Singapore fixed income. In addition to independent research to uncover relative value opportunities, UOBAM adopts diversified investment strategies combined with active risk management to generate sustainable total return for its portfolios.

Since 1996, UOBAM has won a total of 170 awards in Singapore. These awards recognise UOBAM’s investment performance across different markets and sectors.

As at 31 August 2017, UOBAM and its subsidiaries in the region have a staff strength of over 400 including about 50 investment professionals in Singapore.

We may delegate certain or all of our duties. Currently, we have delegated certain administration and valuation functions and certain transfer agency functions, in respect of the Fund, to the administrator, whose details are set out in [paragraph 3.3](#) below.

We maintain professional indemnity insurance coverage which complies with the requirements under applicable laws, regulations and guidelines, or as directed by the Authority.

See the Deed for details on our role and responsibilities as the managers of the Fund.

Our past performance is not necessarily indicative of our future performance.

2.2 Directors and key executives of the Managers

Lee Wai Fai, Director and Chairman

Mr Lee joined UOB in 1989 and is presently Group Chief Financial Officer with UOB. Mr Lee has previously held senior positions in the UOB group, including being head of international branches and regional banking subsidiaries, Deputy Chief Executive Officer of UOB Radanasin Bank Public Company Limited, Head of Finance as well as Head of Policy and Planning of UOB.

Mr Lee holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and a Master of Business Administration degree in Banking and Finance from the Nanyang Business School, Nanyang Technological University, and has more than 25 years of experience in the banking sector.

Eric Tham Kah Jin, Director

Mr Tham joined UOB in 2004 and heads Group Commercial Banking which oversees the medium enterprise business. He is responsible for driving UOB group's expansion in the medium enterprise business in Singapore as well as Malaysia, Thailand, Indonesia, China, Hong Kong, Myanmar, Taiwan and Vietnam.

Mr Tham holds a Master of Business Administration degree in Accounting from Nanyang Technological University. He was conferred the title "Distinguished Financial Industry Certified Practitioner" by The Institute of Banking & Finance of Singapore in 2010 and recognised as a Fellow Chartered Accountant of Singapore by the Institute of Singapore Chartered Accountants (ISCA) in 2015. Mr Tham has more than 30 years of experience in the financial sector.

Goh Yu Min, Director

Mr Goh joined the UOB group in 1997 and is presently an Executive Director with UOB group's Strategy and International Management team. He has experience in private equity investments and private equity fund-of-funds investments.

Mr Goh holds a Master of Business Administration degree in Banking and Finance from the Nanyang Business School, Nanyang Technological University and a Bachelor of Mathematics degree from the University of Waterloo.

Thio Boon Kiat, Director and Chief Executive Officer

Mr Thio is a Chartered Financial Analyst charter holder and graduated with a Bachelor of Business Administration (First Class Honours) degree from the National University of Singapore. In 2004, he attended the Investment Management Program at Harvard Business School. In 2006, he also attended the Mastering Alternative Investments programme at Insead University.

Mr Thio has over 20 years of investment management experience. He joined UOBAM in 1994 from the Government of Singapore Investment Corporation (GIC), as a portfolio manager managing Singapore, and subsequently Asia Pacific and Global Equity portfolios. Over the years, he also headed the International Equities and Global Technology teams. In 2004, Mr Thio was appointed as Chief Investment Officer of UOBAM, a position he held until 2011 when he was promoted to his current appointment of Chief Executive Officer.

Mr Thio was recognised as "CEO of the Year in Asia" for two consecutive years by Asia Asset Management in its "Best of the Best Regional Awards 2015" and "Best of the Best Regional Awards 2014" for his outstanding contributions to UOBAM. He was also conferred the "IBF Fellow" title by the Institute of Banking and Finance in 2015.

John J. Doyle III, Chief Investment Officer, Equities & Multi Assets

Mr Doyle joined UOBAM in April 2001 and was promoted to Chief Investment Officer in September 2011. Prior responsibilities include serving as Deputy Chief Investment Officer Equities, Head of International Equities and Head of Asian Equities. He continues to oversee the UOBAM's Equity research and investment processes as well as the Multi Asset investment processes. Mr Doyle had previously worked in senior research roles for Salomon Smith Barney (Singapore), UBS Securities (Singapore), and MeesPierson Securities (HK).

Mr Doyle has over 23 years of experience, having started his career with Scudder, Stevens & Clark (Boston). His work experience includes both detailed securities research and analysis as well as portfolio management. Mr Doyle graduated with a Bachelor of Arts (Economics) degree from the University of Vermont in 1988. The majority of his experience relates to conducting research and managing equity portfolios. At UOBAM, he is the designated person responsible for the investment management of the Fund.

2.3 Management Company and Investment Manager of the Underlying Fund

The Fund invests all or substantially all of its assets in units of the Underlying Fund. Details of the management company and investment manager of the Underlying Fund are set out below:

Management Company

The Management Company of the Underlying Fund is Pioneer Asset Management S.A., a company incorporated in the Grand Duchy of Luxembourg belonging to the Amundi group, organised under chapter 15 of the Law of 17 December 2010. The Management Company is regulated by the CSSF and has been managing collective investment schemes and discretionary funds for more than 19 years since 1996.

Investment Manager

The Management Company has delegated the investment management of the Underlying Fund to the Investment Manager, Pioneer Investment Management SGRpA. The Investment Manager is an asset management company domiciled in Milan, Italy, a member of the Amundi group. The Investment Manager is regulated by the Banca d'Italia and the Commissione Nazionale per le Società e la Borsa, and has been managing collective investment schemes and discretionary funds for more than 28 years since 1987.

Past performance of the Management Company and Investment Manager is not necessarily indicative of their future performance.

3. THE TRUSTEE, CUSTODIAN AND ADMINISTRATOR

3.1 The Trustee

The Trustee of the Fund is State Street Trust (SG) Limited, a trust company approved by the Authority under Section 289(1) of the SFA to act as a trustee for collective investment schemes which are authorised under Section 286 of the SFA and constituted as unit trusts. The Trustee is regulated in Singapore by the Authority.

See the Deed for details on the Trustee's role and responsibilities.

3.2 The custodian

The Trustee has appointed State Street Bank and Trust Company ("SSBT"), a trust company organised under the laws of the Commonwealth of Massachusetts and, in respect of such appointment, acting through its Singapore Branch, as the global master custodian of the Fund.

SSBT was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It is licensed and regulated by the Federal Reserve Bank of Boston. State Street Bank and Trust Company, Singapore Branch, holds a wholesale bank license issued by the Authority and is regulated by the Authority.

SSBT provides custodian services in over 100 markets by utilising its local market custody operations and through its network of sub-custodian banks. SSBT will appoint sub-custodians in those markets where the Fund invests where SSBT does not itself act as the local custodian. SSBT has processes for the initial selection, and ongoing monitoring of its sub-custodians, each of which is chosen based upon a range of factors including securities processing and local market expertise, and must satisfy specific operating requirements in terms of structure, communications, asset servicing and reporting capabilities. All sub-custodians appointed by SSBT must be licensed and regulated under applicable law to provide custodian and related asset administration services, and carry out relevant related or ancillary financial activities, in the relevant market jurisdiction. SSBT will typically seek to select local branches or affiliates of major global financial institutions that provide sub-custodian services in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope.

Other custodians may be appointed from time to time in respect of the Fund or any of its assets.

See paragraph 20.3 below for further details of the custodial arrangement in respect of the Deposited Property.

3.3 The administrator

The administrator of the Fund is State Street Bank and Trust Company, acting through its Singapore Branch, which has been appointed by the Managers to provide (i) certain administration and valuation services including accounting and net asset value calculation pursuant to an Administrative Services Agreement, and (ii) certain transfer agency services pursuant to a Transfer Agency and Services Agreement, to the Fund.

4. OTHER PARTIES

4.1 The registrar

State Street Bank and Trust Company, acting through its Singapore Branch, has been appointed by the Trustee as registrar of the Fund and will be responsible for keeping the Register. Any Holder may inspect the Register at 168 Robinson Road #33-01, Capital Tower, Singapore 068912 during normal business hours subject to such reasonable restrictions as the registrar may impose.

The Register is conclusive evidence of the number of Units held by a Holder. The entries in the Register shall prevail over the details appearing on any statement of holding, unless the Holder proves to the Trustee's and our satisfaction that the Register is incorrect.

4.2 The auditors

The auditors of the accounts of the Fund are PricewaterhouseCoopers LLP.

5. INVESTMENT CONSIDERATIONS

5.1 Investment objective of the Fund

The investment objective of the Fund is to achieve long term capital growth mainly through investing in small and medium capitalisation securities of corporations listed, domiciled or having substantial operations in Europe.

5.2 Investment focus and approach of the Fund

We intend to achieve the investment objective of the Fund by investing all or substantially all of the Fund's assets in units of Pioneer Funds - European Potential (the "**Underlying Fund**"), a sub-fund of Pioneer Funds.

The Fund may also hold liquid assets such as cash deposits and/or cash equivalents (including money market instruments, short term commercial paper, certificates of deposit, treasury bills, floating rate notes and fixed or variable rate commercial paper) for liquidity purposes.

It is intended that the Fund will invest in Class X EUR Non-Distributing units of the Underlying Fund, although the Fund may invest in other classes of the Underlying Fund in the future.

5.3 The Underlying Fund and its investment objectives and policies

The Underlying Fund is not authorised or recognised in Singapore by the Authority under the SFA. Nothing in this prospectus constitutes an offer or solicitation to anyone in any jurisdiction in respect of units in the Underlying Fund.

(a) General

The Underlying Fund is a sub-fund of Pioneer Funds. Pioneer Funds was created on 2 March 1998 as an UCI governed by the laws of the Grand Duchy of Luxembourg. Pioneer Funds is organised under Part I of the Law of 17 December 2010 in the form of an open-ended mutual investment fund (*fonds commun de placement*), as an unincorporated co-ownership of Transferable Securities² and other assets permitted by law. Pioneer Funds is an umbrella fund which consists of different sub-funds, including the Underlying Fund. The Underlying Fund is domiciled in Luxembourg.

(b) Investment objective of the Underlying Fund

The Underlying Fund seeks to increase the value of your investment over the medium to long-term.

(c) Investment policies of the Underlying Fund

The Underlying Fund invests mainly in a broad range of equities of small cap companies that are based in, or do most of their business in Europe. The Underlying Fund defines small cap companies as those that, at the time of purchase, are within the market capitalization range of the MSCI Europe Small Companies

² As defined in Appendix 1.

Index. The Underlying Fund will invest at least 75% in equities issued by companies having their head office in the EU. The Underlying Fund may invest up to 10% of its assets in other UCIs and UCITS. The Underlying Fund may use derivatives to reduce various risks or for efficient portfolio management. The Underlying Fund is compliant with the French Plan d'Épargne en Actions (PEA).

The assets of the Underlying Fund will be invested mainly in Transferable Securities and Money Market Instruments as referred to in article 16.1 of the Management Regulations³. The Underlying Fund is further authorised to invest in other permitted financial liquid assets in accordance with the authorised investments set out in article 16.1 of the Management Regulations. The Underlying Fund will also be authorised, within the limits set forth in article 16 of the Management Regulations and taking into account the exposure relating to derivatives referred to therein, to achieve their objective through investment in financial derivative instruments or use of certain techniques and Instruments⁴ for hedging and/or for other purposes (including efficient portfolio management) to the fullest extent permitted in article 16 of the Management Regulations including options, forward foreign exchange contracts, futures, including international equity and bond indices and/or swaps (such as credit default swaps, credit default swap indices, currency swaps, inflation linked swaps, interest rate swaps, swaptions and equity/total return swaps) on Transferable Securities and/or any financial Instruments and currencies.

The Underlying Fund may invest in warrants on Transferable Securities and may hold cash within the limits set forth in article 16.1.B. of the Management Regulations.

The Underlying Fund may invest in volatility futures and options as well as in exchange-traded funds. However, such investments may not cause the Underlying Fund to diverge from its investment objectives.

Volatility futures refer to the volatility implied in option pricing and the main rationale for investing in such futures is that the volatility can be viewed as an asset class on its own. The Underlying Fund will only invest in volatility futures traded on regulated markets and the stock indices underlying the volatility indices will comply with article 44(1) of the Law of 17 December 2010.

Unless otherwise stated in the investment policy of the Underlying Fund, the Underlying Fund may not invest in aggregate more than 10% of its assets in shares or units of other UCIs or UCITS.

As a result of the registration or proposed registration for sale in Taiwan of the Underlying Fund, the total amount (i.e. total amount of commitments taken and premiums paid in respect of such transactions) invested in derivatives (with the exception that amounts invested in currency forwards and currency swaps for hedging are excluded from such calculation) may not at any time exceed 40% of their net asset value. This restriction will only apply to the Underlying Fund for so long as imposed by the Taiwanese regulatory authorities.

The Underlying Fund intends to use or invest in financial derivatives. Further information is set out in paragraph 5.9 of this Prospectus.

5.4 Distribution policy

We currently do not intend to make regular distributions for the Fund.

5.5 Product suitability

The Fund is only suitable for investors who:

- (a) seek long term capital growth; and
- (b) are comfortable with the risks of a fund which invests in small and medium capitalisation securities of corporations listed, domiciled or having substantial operations in Europe.

³ An extract of article 16 of the Management Regulations is set out in Appendix 1.

⁴ As defined in Appendix 1.

5.6 Authorised Investments

The authorised investments of the Fund (“**Authorised Investments**”) are as follows:

- (a) any Quoted Investment;
- (b) any Unquoted Investment;
- (c) for purposes of hedging and efficient portfolio management only, any derivative including but not limited to any swap, futures contract, forward contract, option, index futures, foreign exchange transaction and forward rate transaction (including but not limited to currency options) or any combination or variation of these derivatives; and
- (d) any other investments not covered by paragraphs (a), (b) and (c) above but approved by the Trustee (such approval to be confirmed in writing).

See the Deed for the full meaning of the terms **Quoted Investment** and **Unquoted Investment**.

The Fund intends to use or invest in FDIs. Further information is set out in paragraph 5.8 of this Prospectus.

5.7 Investment restrictions

- (a) The investment guidelines and borrowing limits set out under Appendix 1 of the Code apply to the Fund.
- (b) The Underlying Fund is authorised by the CSSF as a UCITS and is subject to the investment and borrowing guidelines under the applicable laws and regulations governing UCITS as implemented in Luxembourg and, in particular, Part I of the Law of 17 December 2010.
- (c) Currently, the Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future in accordance with the provisions of the Code. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code.
- (d) The Management Company on behalf of the Underlying Fund may engage in securities lending transactions either directly or through a recognised clearing institution or a financial institution. See paragraph 5.9 below for further information.

5.8 Risk management procedures of the Managers relating to the use of FDIs

- (a) The Fund may use or invest in FDIs for the purposes of hedging existing positions in a portfolio, efficient portfolio management or a combination of both purposes.
- (b) We will use the commitment approach to determine the Fund’s global exposure to FDIs by converting its positions in the FDIs into equivalent positions in the FDIs’ underlying assets. Such exposure will be calculated in accordance with the provisions of the Code. We will ensure that the global exposure of the Fund to FDIs or embedded FDIs will not exceed 100% of the Fund’s net asset value.
- (c) Below is a description of risk management and compliance procedures and controls adopted by us:
 - (i) We will implement various procedures and controls to manage the risk of the Fund’s assets. Our decision to invest in any particular security or instrument on behalf of the Fund will be based on our judgment of the benefit of such transactions to the Fund and will be consistent with the Fund’s investment objective in terms of risk and return.
 - (ii) *Execution of trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Fund, and that best execution and fair allocation of trades are done. Our middle office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. If there is any non-compliance, our middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.

- (iii) *Liquidity.* If there are any unexpectedly large realisations of Units, it is possible that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. We will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
 - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in FDIs and other financial instruments held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, we will restrict our dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C or viability ratings of above bbb by Fitch Inc., a baseline credit assessment of above a3 by Moody's Investors Service, or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, we will take steps to unwind the Fund's position with that counterparty as soon as practicable.
 - (v) *Volatility.* To the extent that the Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case where the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use FDIs for hedging purposes to reduce the overall volatility of the value of its assets. At the same time, we will ensure that the global exposure of the Fund to FDIs and embedded FDIs will not exceed the net asset value of the Fund, as stated in sub-paragraph (b) above.
 - (vi) *Valuation.* The Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) We will ensure that the risk management and compliance procedures and controls adopted by us are adequate and have been implemented, and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
 - (e) The Fund may net its over-the-counter derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code, and that we will obtain, or have obtained (as applicable), the legal opinions as stipulated in the Code.
 - (f) Where the Fund uses or invests in FDIs on commodities, all such transactions shall be settled in cash at all times.

5.9 Risk management procedures relating to the use of FDIs in respect of the Underlying Fund

USE OF DERIVATIVES

The Underlying Fund may use derivatives for a variety of hedging, investment and efficient portfolio management purposes, as further described in the investment policy of the Underlying Fund. Hedging may include a wide range of techniques such as currency hedging. Interest rate hedging or credit risk hedging. Efficient portfolio management may include techniques to manage risk such as market and currency risk or to reduce or manage costs as well securities lending or repurchase transactions.

TYPES OF DERIVATIVES USED

The Underlying Funds may invest in any type of financial derivative instrument. These may include: currency forwards (including non-deliverable forwards); currency swaps; credit default swaps and other credit derivatives; equity swaps; futures contracts; inflation-linked swaps; interest rate swaps options, options on futures contracts; total return swaps; volatility futures; warrants.

OTC AND EXCHANGE TRADED DERIVATIVES

The sub-funds of the Pioneer Funds may invest in exchange-traded derivatives or OTC (“over the counter”) derivatives.

OTC derivatives are agreements between a sub-fund of the Pioneer Funds and one or more counterparties and they are not as highly regulated as market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honour its obligations to a sub-fund of the Pioneer Funds. The Underlying Fund may find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

It is generally impractical for the Pioneer Funds to divide its OTC derivative transactions among a wide variety of counterparties, therefore a decline in the financial health of a counterparty could cause significant losses.

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

LIMITATIONS ON TOTAL EXPOSURE TO DERIVATIVES

For as long as may be necessary to comply with Taiwanese regulations, certain sub-funds of the Pioneer Funds including the Underlying Fund intends to limit its investments (total commitments taken and premiums paid) in derivatives (including derivatives used for hedging and netting purposes), to 40% of its net asset value.

EFFICIENT PORTFOLIO MANAGEMENT

For efficient portfolio management, the Underlying Fund may use securities lending and repurchase transactions as well as derivatives transactions.

Securities lending involves the Underlying Fund lending its securities to a third party against agreed collateral and this may be done either directly or through a recognised clearing institution or a financial institution. Borrowers of securities are approved by the Management Company based on an assessment of the borrower’s status and financial standing. Currently, the Management Company has approved and retained Deutsche Bank AG and Brown Brothers Harriman & Co. as securities lending agents for fixed income and equity securities respectively.

For these services, the lending agents retain a fee out of income derived from lending activity. Société Générale Bank & Trust, the Administrator of the Underlying Fund, receives a fee for administrative services, and Pioneer Global Investments Limited, an affiliate of the Management Company, receives a fee for the monitoring and oversight of securities lending activities. Any revenues from efficient portfolio management techniques will be returned to the Underlying Fund and unit class, less direct and indirect operational costs.

Where the Underlying Fund receives cash collateral in connection with securities lending, it must either deposit this with approved credit institutions, invest it in high quality government bonds, or use it for reverse repurchase agreements (but only if the Underlying Fund has the right to recall the full amount of the cash at any time, or invest them in short-term money-market funds). The Underlying Fund must continue to meet diversification requirements in how it invests or uses cash collateral.

Reinvestment of collateral may create leverage risk. Securities lending and repurchase transactions may involve several forms of counterparty risk. If a counterparty fails to meet its obligations to the Underlying Fund, the value of collateral held by the Underlying Fund as security against loss in such a case may prove to be worth less than the cash or securities owed to the fund, whether from market action, inaccurate pricing, deteriorating issuer credit, or market liquidity problems.

If a counterparty is late in honouring its obligations, it could affect the Underlying Fund’s ability to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems. Repurchase transactions also have risks similar to those of options or forwards.

COLLATERAL POLICY

The Underlying Fund may receive collateral through an OTC derivative, a repurchase contract or a securities lending agreement.

Cash Collateral

Cash collateral may be placed on deposit, invested in high quality government bonds, used for reverse repurchase transactions (so long as the cash is callable at any time), or invested in Short-Term Money Market Funds.

Any investments into which cash collateral is reinvested are subject to the policies for non-cash collateral.

Non-cash Collateral

Non-cash collateral must be:

- sufficiently liquid
- traded on a regulated market or multilateral trading facility with transparent pricing
- valued daily
- subject to suitably conservative haircut policies if it is highly volatile or of high credit quality
- sufficiently diversified in terms of country, markets and issuers
- capable of being fully enforced at any time, and should not be sold, re-invested or pledged

Haircut policies (The percentage by which an asset's market value is adjusted when calculating capital requirement, margin and collateral levels).

Securities Lending Programmes

The borrowers participating in the programme are required to post collateral to mitigate the credit risk. Securities on loan are collateralised at a minimum 105% for the equity programme and 100% for the fixed income programme. The Management Company determines what is eligible for use as collateral and currently operates a more restrictive collateral policy than that required by UCITS regulation.

Both the securities lending agent and the Investment Manager monitor the collateral policy closely in the light of market events. Collateral is monitored and marked to market daily. Regular reporting is provided to the Management Company, Depositary, Administrator, and Investment Manager. The Board of Directors of the Management Company is authorised to amend or remove the list of eligible collateral, changes to haircut policies or revise the list of authorised counterparties.

Fixed Income Lending

Collateral Type	Haircut
OECD Government bonds	If cross-currency, at least 1%; otherwise, no minimum
OECD corporates and supranational bonds	If cross-currency, at least 3%; otherwise, no minimum
OECD listed equities	At least 10%

Equity Lending

Collateral Type	Haircut
Government debt of France, Germany, Netherlands, Sweden, Switzerland, United States of America	At least 5%

OTC derivatives

If the counterparty to an OTC derivative is a credit institution and the counterparty risk exposure exceeds 10% of the Underlying Fund's assets, the Underlying Fund must cover this excess through collateral. For non-credit institution counterparties, the exposure limit is 5%.

For total return swaps or other derivatives with similar characteristics, the Underlying Fund must choose the counterparty authorised by the Management Company. These authorised counterparties will be either credit institutions that have a registered office in an EU Member State or investment firms that are authorised under the MiFID directive and are subject to prudential supervision.

Collateral is posted and received in order to mitigate the counterparty risk in OTC financial derivative transactions. The Management Company determines what is eligible for use as collateral and currently operates a more restrictive collateral policy than that required by UCITS regulation. Typically, cash and government debt may be accepted as collateral for OTC financial derivative transactions. However, other securities may be accepted, where agreed by the Management Company. Government debt may include, but is not limited to, debt of the US, Germany, France, Italy, Belgium, Netherlands, UK, Sweden, and other agreed Eurozone governments. The Underlying Fund may be fully collateralised in securities issued or guaranteed by US, Germany, France, Italy, Belgium, Netherlands, UK, Sweden, and other agreed Eurozone governments.

Collateral is monitored and marked-to-market daily.

Regular reporting is provided to the Management Company, Depositary, Administrator, and Investment Manager. The Board of Directors of the Management Company has established authorised counterparties, eligible collateral, and haircut policies; and these may be revised or amended by the Management Company at any time.

Any haircuts that apply to collateral are agreed conservatively with each OTC derivative counterparty on a case-by-case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions.

The following guidance as to acceptable levels of haircut for collateral in OTC transactions is applied by the Management Company (which reserves the right to change it at any time).

Collateral Haircuts for Counterparty Risk Calculation

Collateral Type	Haircut – same-currency exposure	Haircut – cross-currency exposure
Cash	0%	10%
Government Bonds	10%*	15%*
Non-Government Bonds	15%	20%
Others	20%	20%

* These may vary depending on the maturity period of the security.

Exceptions to the above haircuts may apply where a ratings criteria has been set against the collateral.

Contracts with counterparties generally set threshold amounts of unsecured credit exposure that the parties are prepared to accept before asking for collateral. These usually range from EUR 0 to 10 million. Minimum transfer amounts, often in the range of EUR 250 - 1 million, are set to avoid unnecessary costs involved in small transfers.

Leverage

Where the Underlying Fund investment exposure exceeds its net asset value this is known as leverage which can increase risks for the Underlying Fund's investors. Although the Underlying Fund may not borrow to finance investments, they may use derivatives to gain additional market exposure in excess of their net asset value.

In this context, gross leverage is a measure of aggregate derivative usage and is calculated as the sum of the notional amount of the financial derivative instruments in which the Underlying Fund invests. The percentage shown in the Underlying Fund's information is the percentage in excess of the Underlying Fund's net assets.

Leverage does not represent the level of potential capital losses that the Underlying Fund may incur. As the calculation does not take into account various factors such as the sensitivity of exposure to market movements or the whether the use of a derivative increases or decreases investment risk, the level of leverage may not be representative of the level of investment risk within the Underlying Fund.

The expected level of leverage is not a limit and may vary over time and whilst level of leverage is not expected to exceed 50%, in certain market conditions, it may exceed the stated level.

We will, on request, procure the provision of supplementary information to investors relating to the risk management methods employed by or on behalf of the Underlying Fund, including the quantitative limits that are applied and any recent developments in the risk and returns characteristics of the main categories of investment. This information will be based on what is provided in the prospectus of the Underlying Fund.

Management and Monitoring of Derivatives Risks

The Management Company uses a risk-management process that enables it to monitor and measure at any time the risk of each derivative position and its contribution to the overall risk profile of the Underlying Fund. Risk calculations are performed daily, whether or not the Underlying Fund calculates a net asset value for that day.

There are two methods which may be employed to calculate the global exposure of the Underlying Fund and to represent its risk profile:

→→ the commitment approach; or

→→ the VaR approach - Absolute VaR and Relative VaR depending on the nature of funds

The Management Company has selected the VaR approach as the appropriate measurement methodology for the Underlying Fund.

The VaR approach

Is a widely used measurement of the maximum potential loss from market risk that a specific portfolio of assets is likely to experience. Using the VaR approach, the Underlying Fund seeks to estimate, with 99% confidence, the maximum loss it could experience in a month (meaning 20 trading days), from market actions and under normal market conditions.

In the case of the Underlying Fund, relative VaR is currently applied. The Underlying Fund measures its VaR relative to the VaR of its reference portfolio MSCI Europe Small Cap Index. The relative VaR of the Underlying Fund must not exceed twice the VaR of its reference portfolio.

All sub-funds of the Pioneer Funds using the VaR approach are required to calculate their derivatives exposure using the “sum of the notionals” method. If it is consistent with the investment management strategy, the Management Company may decide that it will also calculate its derivatives exposure using the commitment method (which calculates all derivatives exposures as if they were direct investments in the underlying positions).

ADDITIONAL RISK REQUIREMENTS

Global exposure calculations for derivatives must consider numerous factors, including current value of underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate positions.

For purposes of compliance and risk monitoring, any derivatives embedded in transferable securities or money market instrument count as derivatives, and any exposure to transferable securities or money market instruments gained through derivatives (except for index-based derivatives) counts as investment in those securities or instruments.

ASSET POOLING

For effective management, and where the investment policies of the Underlying Fund’s permit, the Management Company may choose to pool, and manage in common, the assets of certain sub-funds of the Pioneer Funds (co-management). The Underlying Fund’s interest in the pool is a function of the assets it has added to and subtracted from the pool, and of the investment performance of the pool. In the sense, the pool functions according to the same principle as a UCITS or other collective investment (although one that is internal and whose only eligible direct “investors” are the Underlying Fund).

6. FEES AND CHARGES

6.1 Fees and charges of the Fund

The fees and charges payable by you and payable out of the Fund are as follows:

Payable by you	
Subscription Fee	Currently 5%; maximum 5%.
Realisation Charge	Currently none; maximum 2%.
Switching fee ⁽¹⁾	Currently 1%.
Payable by the Fund to the Managers, the Trustee and other parties	
Management fee	Currently 1.75% p.a.; maximum 2% p.a..
Valuation fee	Currently 0.2% p.a.; maximum 0.2% p.a..
Registrar and transfer agent fees	The higher of S\$15,000 p.a. or 0.125% p.a.. (Subject always to a maximum of S\$25,000 p.a.)
Trustee remuneration	Currently not more than 0.05% p.a. (subject always to a minimum of S\$5,000 p.a.); maximum 0.2% p.a..
Audit fee, custodian fee , transaction costs ⁽²⁾ and other fees and charges ⁽³⁾	<p>Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the net asset value of the Fund.</p> <p>Based on the audited accounts and the average net asset value of the Fund for the financial year ended 30 June 2017:</p> <ul style="list-style-type: none"> • Audit fee: 0.24%. • Custodian fee: less than 0.1%. • Transaction costs: less than 0.1%. • Other fees and charges: 0.61%.

- ⁽¹⁾ If you switch your Units to units of another fund managed by us (“**New Fund**”), we will charge you the switching fee instead of the subscription fee for the New Fund. If the subscription fee for the New Fund is more than the switching fee, you are effectively receiving a discount on the New Fund’s subscription fee.
- ⁽²⁾ Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.
- ⁽³⁾ Other fees and charges include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, legal and professional fees, goods and services tax and other out-of-pocket expenses.

As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will not be paid from the Deposited Property.

Any Subscription Fee and Realisation Charge will be retained by us for our own benefit and will not form part of the Deposited Property. All or part of the Subscription Fee may also be paid to or retained by our authorised agents or distributors. We will also pay any other commission, remuneration or sum payable to such authorised agents or distributors in respect of the marketing of Units. Moreover, the authorised agents and distributors through whom you subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and you should check with the relevant agent or distributor on such fees and charges, if any.

We may at any time differentiate between investors as to the amount of the Subscription Fee, Realisation Charge, switching fee and other charges (if any) payable to us upon the issue, realisation or switch of Units, or apply such discounts or waivers as we think fit (provided that such discounts will be borne by us and not by the Fund).

6.2 Fees and charges of the Underlying Fund

Fees payable by the Fund	
Sales charge	Class X: No sales charge.
Redemption fee	Class X: No redemption fee.
Conversion fee	Class X: No conversion fee.
Fees payable by the Underlying Fund	
Management fee	Class X: The management fee will be charged and collected by the Management Company directly from the unitholder of the Underlying Fund and will not be charged to the Underlying Fund or reflected in its Net Asset Value ⁵ . The management fee may be calculated according to such methodology and payment terms as may be agreed between the Management Company and the relevant investor of the Underlying Fund. Currently, such management fee will be borne by us.
Fees of the depositary and paying agent and of the administrator	The Underlying Fund's depositary and paying agent and the administrator are entitled to receive a fee out of the assets of the Underlying Fund (or the relevant class of units, if applicable), which will range, depending on the country where the assets of the Underlying Fund are held, from 0.003% to 0.5% of the asset values underlying the Underlying Fund or class of units of the Underlying Fund, payable monthly in arrears.
Distribution Fee	Class X: No distribution fee.
Registrar and transfer agent fee	The Underlying Fund's registrar and transfer agent is entitled to such fees as will be determined from time to time by agreement between the Management Company and the registrar and transfer agent. Such fee will be calculated in accordance with customary practice in Luxembourg and payable monthly in arrears out of the assets of the Underlying Fund. Such fee may exceed 0.1% p.a. of the average net asset value of the Underlying Fund.
Performance Fee	Class X: Any performance fee will be charged and collected by the Management Company directly from the unitholders of the Underlying Fund and will not, therefore, be reflected in its net asset value. Currently, the Underlying Fund does not have a policy of charging performance fee in respect of the Fund's investment into Class X units of the Underlying Fund.

7. RISKS

7.1 General risks

- (a) You should consider and satisfy yourself as to the risks of investing in the Fund.
- (b) Generally, some of the risk factors that you should consider are market risks, interest-rate risks, default risks, foreign exchange risks, liquidity risks and risks involved in investing in FDIs.
- (c) You should be aware that the price of Units and the income accruing from them may fall or rise and you may not get back your original investment. There is no guarantee that the investment objective of the Fund will be achieved.
- (d) Investment in the Fund is not meant to produce returns over the short term and you should not expect to obtain short-term gains from such investment.
- (e) *The general and specific risks described in this paragraph 7 are not exhaustive and you should be aware that the Fund may be exposed to other risks of an exceptional nature from time to time.*
- (f) *You should also be aware that investments of the Underlying Fund may also be subject to the risks disclosed in the prospectus of the Underlying Fund and summarised in paragraph 7.3 below.*

⁵ As defined in Appendix 1.

7.2 Specific risks

(a) Market risk

You should consider and satisfy yourself as to the usual risks of investing and participating in publicly traded securities. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the value of Units to rise or fall.

Some of the markets or exchanges on which the Fund (by itself or through the Underlying Fund) may invest in may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund (or the Underlying Fund) may liquidate its positions to meet realisation requests. In light of current fiscal conditions and concerns on sovereign debt of certain European countries, the Fund may also be subject to risks arising from a potential crisis in the Eurozone such as political risk, liquidity risk, currency risk and exceptional market conditions (as disclosed below in greater detail). Such risks may affect the performance of the Fund and the value of the Units of the Fund.

(b) Equity risk

The Fund (by itself or through the Underlying Fund) invests in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. This in turn may affect the value or volatility of the Fund.

(c) Foreign exchange/currency risk

The Fund is denominated in SGD. Where the Fund makes investments which are denominated in foreign currencies, fluctuations of the exchange rates of such currencies against the SGD may affect the value of the Units. In our management of the Fund, we may hedge the foreign currency exposure of the Fund and may adopt an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on the circumstances of each case. Such circumstances include but are not limited to the outlook, hedging costs and market liquidity of the relevant currency.

(d) Political risk

The investments of the Fund or of the Underlying Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the relevant countries.

(e) Derivatives risk

As the Fund may use or invest in FDIs, it will be subject to risks associated with such FDIs. FDIs include foreign exchange forward contracts and equity index future contracts. An investment in a FDI may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that investments in FDIs are monitored closely. We have controls for investments in FDIs and have in place systems to monitor the FDI positions of the Fund.

(f) Liquidity risk of investments

Investments by the Fund (by itself or through the Underlying Fund) in some emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity which are inherent characteristics of these markets.

(g) Small and medium capitalisation companies risk

Investments in companies with small and medium capitalisation generally carry greater risk than is customarily associated with companies with larger capitalisation. Examples of such risks are less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. This may result in greater volatility in the share prices of such companies.

(h) Risks of investing in a regional fund

While an investment in a regional fund (such as the Fund) may present greater opportunities and potential for capital appreciation, it may also be subject to higher risks as it may be less diversified than a global portfolio.

(i) Exceptional market conditions risk

Under certain market conditions such as during volatile markets or crisis situations or where trading on the relevant stock exchange is suspended, restricted or otherwise impaired, it may be difficult or impossible to liquidate or rebalance positions. During such times, the Fund (or the Underlying Fund) may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the Fund's (or the Underlying Fund's) losses to intended amounts as market conditions may make it impossible to execute such order at the ideal price. In addition, such circumstances may force the Fund (or the Underlying Fund) to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. Investments may also be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Fund (or the Underlying Fund) incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the financial conditions of the Fund's (or the Underlying Fund's) counterparties could be weakened, thereby increasing the Fund's credit risk.

(j) Actions of institutional investors

The Fund may accept subscriptions from institutional investors and such subscriptions may constitute a large portion of the total investments in the Fund. While these institutional investors will not have any control over the investment decisions for the Fund, the actions of such investors may have a material effect on the Fund. For example, substantial realisations of Units by an institutional investor over a short period of time could necessitate the liquidation of the Fund's assets at a time and in a manner which does not provide maximum economic advantage to the Fund and which could therefore adversely affect the value of the Fund's assets.

(k) Broker risk

We may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in our transactions with them, we consider, amongst other things, the range and quality of the professional services provided by such brokers and dealers and their credit standing and licensing or regulated status.

It is possible that the brokers or dealers engaged for the Fund may encounter financial difficulties that may impair the Fund's operational capabilities. If a broker or dealer fails or becomes insolvent, there is a risk that the Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

(l) Counterparty risk

The Fund is exposed to the risk that a counterparty may default on its obligations to perform under a particular contract. If a counterparty becomes bankrupt or insolvent, the Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Fund seeks to enforce its rights. The Fund may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a risk that counterparty contracts may be terminated earlier due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contracts were entered into.

(m) Investment management risk

Investment performance depends on the portfolio management team and the team's investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

7.3 Risks relating to the Underlying Fund

The risk descriptions below correspond to the main risk factors named in the information about the Underlying Fund set out in the Underlying Fund's prospectus but also outline other risks, which may affect the Underlying Fund. While these risk descriptions are intended to give an idea of the main risks associated with the Underlying Fund, the Underlying Fund could be affected by risks not named here, and the risk descriptions themselves are not intended as exhaustive.

Any of these risks could cause the Underlying Fund to lose money, to perform less well than similar investments, to experience volatility (ups and downs in net asset value), or to fail to meet its objective over any period of time.

General Risks

Collective Investment Risk

As with any investment fund, investing in the Underlying Fund involves certain risks an investor would not face if investing in markets directly. The actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the Underlying Fund and cause the Underlying Fund's net asset value to fall. An investor cannot direct or influence how the Underlying Fund is invested. The Underlying Fund's transactions may not be optimal for the tax efficiency of a given investor. The Underlying Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance. The registration of the Underlying Fund in certain countries may create investment restrictions.

Currency Risk

Exchange rates between currencies can change rapidly and unpredictably. The Underlying Fund's currency exposure may increase the risk of fluctuations in Unit price and may negatively impact performance. To the extent that the assets of the Underlying Fund are denominated in one or more currencies that are different from the Underlying Fund's base currency, changes in exchange rates can reduce investment gains, or increase investment losses, generated by those assets.

Liquidity Risk

In certain market conditions, securities that are liquid may become difficult to value, buy or sell, which could affect the Underlying Fund's ability to process redemption requests.

Market Risk

Prices of many securities may be volatile and may rise or fall daily based on the activities of those financial markets where each security trades.

Operational Risk

Losses may occur due to human error or omission, process errors, system disruptions or external events.

Equity

In general, equities and equity-linked instruments involve higher risks than bonds or money market instruments, and their values fluctuate daily, sometimes rapidly and unpredictably.

Equities may be affected by many economic, political and other factors. They may lose value rapidly or over time, and may go up or down regardless of a company's performance.

Different industries or market segments may react differently. Equities of rapidly growing companies may be more sensitive to negative publicity, where their value reflects high future expectations. Equities of companies that appear to be priced below their true value may continue to be undervalued.

Some equity-linked instruments, such as warrants and bonds cum warrants, are more volatile and speculative than ordinary shares. Warrants typically earn a return only if the price of a stock rises significantly relatively soon after the warrant is purchased; otherwise, the warrant may be worthless, generating a loss that is equal to its purchase price.

In addition, the Underlying Fund may not be able to find a buyer for warrants it wishes to sell before the warrant expires.

Small/Mid Cap equities

Equities of small and mid-size companies can be more volatile and less liquid than equities of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories and less diverse business lines, and as a result can be at greater risk of long-term business setbacks.

Concentration Risk

The Underlying Fund may concentrate its investments in a specific sector or country. This means that the Underlying Fund is more sensitive to specific economic, market, political or regulatory events related to the sector or country.

Other Risks of the Underlying Fund

General Risk

Withholding tax risk

Certain income of the Pioneer Funds and/or various sub-funds of Pioneer Funds may be subject to withholding taxes, and any such taxes will reduce the return on the investments. In order to avoid these, the Pioneer Funds may need to receive certain information from an investor. In particular, the United States Foreign Account Tax Compliance Act (FATCA) requires the Pioneer Funds to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Investors that fail to provide the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition. Any withholding taxes imposed will be treated as a distribution to the investors and all Units held by such investors will be compulsorily redeemed.

Risks of Investment Techniques

Counterparty

Contract parties may default on their obligations under derivatives contracts entered into with a counterparty.

The Underlying Fund may enter into OTC derivative agreements, including swap agreements, as well as efficient portfolio management techniques as more fully described in their investment policies. Such agreements may expose the Underlying Fund to risks with regard to the credit status of its counterparties as a Contract party may default on their obligations to meet the conditions of such agreements. The default risk arising from such transactions may, however, not exceed 10% of the net assets if the counterparty is a credit institution. In all other cases, the limit is a maximum of 5% of the net asset value of the Underlying Fund.

Consistent with best execution, and when it is in the best interests of the Underlying Fund and its Unitholders, the Underlying Fund may also enter into OTC derivative agreements or efficient portfolio management techniques with other companies in the same Group of Companies as the Management Company or Investment Manager.

Derivatives

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

Derivatives, in general, are highly volatile, create leverage, do not carry any voting rights and may be very complex.

Derivatives may also involve credit, market, legal, operational, liquidity, concentration and settlement risks.

The pricing and volatility of many derivatives (especially credit default swaps) may diverge from that of their underlying exposures. In difficult market conditions, it may not be possible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives.

There is no guarantee that the use of derivatives will yield positive results for the Underlying Fund.

The types of derivatives used are set out in paragraph 5.9.

Hedging and Income Enhancement Strategies

To the extent that the Underlying Fund uses strategies designed to enhance return or offset specific risks (such as seeking to eliminate currency risks in a unit class that is denominated in a different currency than the Underlying Fund's portfolio), these measures may work imperfectly, may not be feasible at times, or may fail completely. These strategies may include the use of derivatives and efficient portfolio management techniques which may have an adverse impact on the performance of the Underlying Fund. In addition, hedging involves costs, which reduce investment performance. To the extent that a hedge is successful, it generally eliminates opportunities for gain as well as risks of loss.

Investment Management and Opposing Positions

The Investment Manager, or its affiliates, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may affect the interests of other clients. This may pose a conflict of interest for the Investment Manager, particularly if the company or its staff earn higher compensation from one mandate, product or client than for another. For instance, Investment Manager, may buy and sell the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. Such conflicts may be more prevalent where the Investment Manager and individual portfolio managers may manage long only, long-short or short only mandates.

Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the particular mandate, product or client.

In certain situations, the management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Manager to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively affect investment performance.

Securities Lending

Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Underlying Fund may lose money and there may be a delay in recovering the lent securities.

The Underlying Fund could also lose money if there is a decline in the value of the collateral or of any investments made with cash collateral.

While securities lending does not increase exposure to market risk, it does expose the Underlying Fund to counterparty risk. If the counterparty defaults, the collateral will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss. Failure on the part of a counterparty to follow specified procedures, controls and systems implemented by the securities lending agent and the Management Company of the Underlying Fund could also create losses.

8. SUBSCRIPTION OF UNITS

8.1 How to subscribe and pay for Units

How to subscribe for Units:	<p>You may apply for Units through the following channels:</p> <ul style="list-style-type: none">• authorised agents and distributors• ATMs (as and when available)• designated websites• other sales channels made available by us <p>You should include all required documents and subscription monies in full with your application, failing which your application may be rejected.</p>
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How to pay for Units:	<ul style="list-style-type: none"> • By cheque in favour of the payee set out in the relevant application form. • By telegraphic transfer to the account set out in the relevant application form or as may be prescribed by us. All bank charges will be borne by you. • <u>SRS monies</u>: You should check with your SRS operator bank if you can invest in the Fund using SRS monies. You must indicate that you are using SRS monies in the relevant application form, which also contains your instructions to your SRS operator bank to withdraw the relevant subscription monies from your SRS account.
Other salient terms:	<ul style="list-style-type: none"> • We may, acting in consultation with the Trustee, accept or reject any application for Units at our absolute discretion. • Generally, Units will not be issued until the Trustee receives the relevant subscription monies in cleared funds in the relevant currency, although we may at our discretion issue Units before the Trustee receives full payment in cleared funds or, if required, conversion to the relevant currency. • We and our authorised agents and distributors may request for such information or documents as may be necessary to verify your identity or to comply with any applicable laws, regulations or guidelines (including anti-money laundering laws).

8.2 Minimum subscription amounts and minimum holding

Minimum initial subscription*	Minimum subsequent subscription*	Minimum holding
S\$1,000 (or if subscribing in USD, US\$1,000)	S\$500 (or if subscribing in USD, US\$500)	1,000 Units or the number of Units which were or would have been subscribed for S\$1,000 (or if subscribing in USD, US\$1,000) or its equivalent in such other currencies as we may decide (truncated but not rounded off to the nearest 2 decimal places) at the prevailing issue price at the time of the initial subscription of Units (or such other number of Units or amount as may from time to time be determined by us upon giving prior written notice to the Trustee).

* or its equivalent in such other currencies at the applicable rate of exchange as we may decide.

We may from time to time vary the minimum holding upon giving prior written notice to the Trustee.

Our authorised agents and distributors may impose a higher minimum initial or subsequent subscription amount. Please check with the relevant authorised agent or distributor before submitting your subscription application.

8.3 Issue of Units

Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For applications received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be issued at the issue price applicable to that Dealing Day.</p> <p>For applications received and accepted after the Dealing Deadline or on a day which is not a Dealing Day, Units will be issued at the issue price applicable to the next Dealing Day.</p>
Pricing basis:	Units are issued on a forward pricing basis.

Issue price:	<p>The issue price per Unit shall be ascertained by:</p> <p>(a) calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit; and</p> <p>(b) truncating the resultant amount to 3 decimal places.</p> <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Fund.</p>
Deduction of Subscription Fee:	A Subscription Fee may be deducted from the Gross Investment Amount and the Net Investment Amount will be applied towards your subscription of Units.
Conversion of issue price:	<p>Currently, we accept cash subscriptions in SGD and USD, and SRS subscriptions in SGD only.</p> <p>We will quote the issue price in SGD and its equivalent in USD at an exchange rate determined by us. Your Units will be issued at the SGD issue price if you subscribe in SGD and at the USD issue price if you subscribe in USD.</p> <p>Any currency exchange cost to convert a foreign currency subscription to the Fund's denominated currency will be borne by you.</p> <p>If we decide to accept subscriptions in any other currency in the future, we will quote the issue price in such currency at the applicable rate of exchange determined by us.</p> <p>Acceptance of subscriptions in currencies other than SGD is at our discretion and subject to such additional terms as we may impose from time to time.</p>
Confirmation of purchase:	A confirmation of your purchase will be sent to you within 5 Business Days for cash applications, and 11 Business Days for SRS applications, from the date of issue of Units.
Other salient terms:	<ul style="list-style-type: none"> We may, in consultation with the Trustee, make fixed price offers of Units from time to time in accordance with the provisions of the Deed. No certificates for Units will be issued. If you are resident outside Singapore, we will deduct from your Gross Investment Amount any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore. Subject to the prior approval of the Trustee, we may change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

8.4 Numerical example of calculation of Units allotted

The number of Units you will receive with an investment of S\$1,000.00 will be calculated as follows:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%)*		Net Investment Amount
S\$950.00	÷	S\$1.000*	=	950.00**
Net Investment Amount		Issue price		Number of Units allotted

* Based on an issue price of S\$1.000 and a subscription fee of 5%. This example is a hypothetical and is not indicative of any future issue price. The actual issue price will fluctuate according to the net asset value of the Fund.

** The number of Units to be issued will be rounded down to 2 decimal places. We may use another method of adjustment or number of decimal places with the approval of the Trustee.

8.5 Cancellation of subscription

Subject to the provisions of the Deed and the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form (whichever is applicable) to us or our authorised agents or distributors within 7 calendar days⁶. However, you will take the risk of any change in the price of your Units since the date of your subscription and pay any bank charges, administrative or other fees imposed by the relevant authorised agent or distributor.

Instead of cancelling your subscription, you may choose to realise your Units in accordance with paragraph 10, but you will not enjoy the benefits of cancellation under this paragraph (i.e. the Subscription Fee will not be refunded and a Realisation Charge (if any) may be imposed). Further, the Net Realisation Proceeds may be lower than the cancellation proceeds if any appreciation in the value of the Units is less than the aggregate of the Subscription Fee and Realisation Charge (if any) imposed.

See the terms and conditions for cancellation of subscriptions in the cancellation form before subscribing for Units.

9. **REGULAR SAVINGS PLAN**

Currently, RSPs are only offered and operated directly by our authorised agents and distributors. Please check for availability with the relevant authorised agent or distributor.

Salient terms relating to RSPs:

Minimum holding to invest in a RSP:	The minimum holding as set out in <u>paragraph 8.2</u> .
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.
Method of payment:	<ul style="list-style-type: none"> • <u>Cash</u>: You must complete an Interbank GIRO form authorising periodic RSP payments and submit it together with the relevant application form as required by the authorised agent or distributor. • <u>SRS monies</u>: You must submit the relevant application form as required by the authorised agent or distributor. Before investing, you should check with your SRS operator bank on whether a RSP using SRS monies is available.
When payment is debited:	Payment will be debited from the relevant account on: <ul style="list-style-type: none"> • <u>for monthly RSP subscriptions</u>: the 25th calendar day of each month; • <u>for quarterly RSP subscriptions</u>: the 25th calendar day of the last month of each calendar quarter. If the 25 th calendar day is not a Business Day, payment will be debited on the next Business Day.
Allotment of Units:	Your investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days after the debit.
Unsuccessful debits:	If a debit is unsuccessful, no investment will be made for that month or quarter (as the case may be). After 2 consecutive unsuccessful debits, the RSP will be terminated. You will not be notified of any unsuccessful debit or termination.

⁶ or such longer period as we and the Trustee may agree or such other period as the Authority may prescribe. Where the last day of such time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day that is not a Sunday or public holiday in Singapore.

Termination of RSP by you:	You may terminate your participation in any RSP without penalty by giving 30 days' prior written notice to the authorised agent or distributor from whom you applied for the RSP.
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The terms of RSPs offered by each authorised agent or distributor may vary from the above and may be subject to changes from time to time. You should contact the relevant authorised agent or distributor for details before applying.

We will not assume any liability for any losses attributable to your participation in any RSP.

10. REALISATION OF UNITS

10.1 How to realise Units

How to request for realisation:	<p>You may request to realise your Units through the following channels:</p> <ul style="list-style-type: none"> • authorised agents and distributors through whom your Units were originally purchased • ATMs (as and when available) • designated websites • other channels made available by us
Minimum realisation amount:	<p>100 Units per request.</p> <p>You may not realise part of your holding of Units if, as a result of the realisation, your holding would be less than the minimum holding set out in paragraph 8.2.</p>
Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be realised at the realisation price applicable to that Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Dealing Day, Units will be realised at the realisation price applicable to the next Dealing Day.</p>
Pricing basis:	Units are realised on a forward pricing basis.
Realisation price:	<p>The realisation price per Unit shall be ascertained by:</p> <ol style="list-style-type: none"> calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received of the proportion of the Deposited Property then represented by one Unit; and truncating the resultant amount to 3 decimal places. <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Fund.</p>
Deduction of Realisation Charge:	A Realisation Charge may be deducted from the Gross Realisation Proceeds, and the Net Realisation Proceeds will be paid to you.
Conversion of realisation price:	<p>We may convert the realisation price to any foreign currency at the applicable rate of exchange. The cost of the currency exchange, if any, will be borne by you.</p> <p>Currently, we permit realisations in SGD and USD, and we will quote the realisation price in SGD and its equivalent in USD at the applicable rate of exchange.</p>

	If we decide to permit realisations in any other currency in the future, we will quote the realisation price in such currency at the applicable rate of exchange determined by us.
When will Net Realisation Proceeds be paid to you:	<p>Within 6 Business Days after the relevant Dealing Day, or such other period as may be permitted by the Authority. There may be delays in cases where the realisation of Units has been limited or suspended in accordance with paragraphs 10.3 or 13.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account or SRS account.</p>
Other salient terms:	<ul style="list-style-type: none"> You will bear all bank charges incurred for any telegraphic transfer of realisation proceeds to your designated bank account. If you are resident outside Singapore, we will deduct from your Gross Realisation Proceeds any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore. If we receive and accept a realisation request for Units before the Trustee receives your subscription monies for such Units, we may refuse to realise such Units until the next Dealing Day after the Dealing Day on which your subscription monies for such Units are received by the Trustee. Subject to the prior approval of the Trustee, we may change the method of determining the realisation price and the Trustee shall determine if the Holders should be informed of such change.

10.2 Numerical example of calculation of Net Realisation Proceeds

The Net Realisation Proceeds payable to you on the realisation of 1,000 Units will be calculated as follows:

1,000 Units	x	S\$0.900*	=	S\$900.00
Your realisation request		Realisation price		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation Charge (0%)*		Net Realisation Proceeds

* Based on a realisation price of S\$0.900. There is currently no Realisation Charge payable for the Fund. This example is a hypothetical and is not indicative of any future realisation price. The actual realisation price will fluctuate according to the net asset value of the Fund.

10.3 Limitation on realisation

We may, with the approval of the Trustee and subject to the provisions of the Deed, limit the total number of Units to be realised by the Holders or cancelled by us on any Dealing Day to 10% of the total number of Units then in issue. Such limitation will be applied proportionately to all Holders who have validly requested realisations on such Dealing Day and to us.

Any Units which are not realised or cancelled will be realised or cancelled on the next Dealing Day, provided that if the number of Units to be realised or cancelled still exceeds such limit, we may continue to carry forward the realisation/cancellation requests in the same manner, until such time as the total number of Units to be realised or cancelled on a Dealing Day falls within such limit.

If realisation requests are so carried forward and you are affected, we will notify you within 7 Business Days. Realisation requests which have been carried forward from an earlier Dealing Day shall be dealt with in priority to later requests.

10.4 Compulsory realisations

We may compulsorily realise your holding of Units in certain circumstances. See paragraph 20.2 for further details.

11. SWITCHING OF UNITS

How to switch your Units:	You may request to switch your Units for units of any other Group Fund (the “ new units ”) by giving us or our authorised agents or distributors a switching request in the prescribed form.
When switches are made:	<p>Switches will only be made on a day (“Common Switching Dealing Day”) which is both a Dealing Day for your Units and a dealing day for the new units.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Common Switching Dealing Day, Units will be switched on that Common Switching Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Common Switching Dealing Day, Units will be switched on the next Common Switching Dealing Day.</p>
How switches are carried out:	<p>A switch of Units will be effected as follows:</p> <ol style="list-style-type: none"> your Units will be realised at the realisation price calculated under <u>paragraph 10</u>; the net realisation proceeds shall then be used (after deducting any switching fee payable) to subscribe for new units at the prevailing issue price of such new units. For the purposes of the switch, we may waive in whole or in part the subscription fee for the new units and/or the Realisation Charge (if any).
Other salient terms:	<ul style="list-style-type: none"> Switches will be subject to such terms as we may determine provided that the Trustee is of the opinion that the terms are such as not to prejudice the interests of Holders. You may withdraw a switching request only with our consent. Switching is subject to the terms of the Deed, including the provisions relating to the issue and realisation of Units and the constitutive documents of the Group Fund. Switches will not be allowed if it results in you holding Units below any applicable minimum holding. Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 10.3 or 13</u>. Units purchased with cash or SRS monies (as the case may be) may only be switched to new units which may be purchased with the same payment method. The Trustee shall have no responsibility or liability to ensure that the provisions of the constitutive documents of the Group Fund relating to the issue, realisation or switching of units are complied with.

12. OBTAINING PRICES OF UNITS

You may obtain indicative prices of Units:

- from our authorised agents and distributors; or
- by calling our hotline at 1800 22 22 228 from 8 a.m. to 8 p.m. daily (Singapore time).

The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in SGD and USD. Prices may be published in local or foreign publications such as The Straits Times and The Business Times, and on our website at uobam.com.sg or any other website designated by us. Publication frequency depends on the policies of the relevant publisher.

Except for our own publications, we do not accept any responsibility for errors made by any publisher, whether in the published prices or for any non-publication or late publication of prices. We will not be liable in respect of any action taken or loss suffered by you arising from any publication by such publishers.

13. SUSPENSION OF DEALINGS

13.1 Subject to the provisions of the Code and the Deed, we may, with the prior written approval of the Trustee, suspend the issue and realisation of Units during:

- any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the Trustee's and our opinion, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments in the Trustee's and our opinion or the current price thereof on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the Trustee's and our opinion, be reasonably carried out at normal rates of exchange;
- any 48-hour period (or such other longer period as may be agreed between the Trustee and us) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- any period when the dealings of Units is suspended pursuant to any order or direction of the Authority;
- in the case where the Fund invests all or substantially all of its assets in another collective investment scheme, any period when the issue, realisation, cancellation or switching of all or a substantial portion of the units or shares of such underlying collective investment scheme is suspended;
- any period when the Trustee's or our business operations in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
- exceptional circumstances, where the Managers have determined that such suspension is in the best interest of the Holders; or
- such other circumstances as may be required under the provisions of the Code.

See the Deed for the full meaning of the terms **Recognised Stock Exchange** and **OTC Market**.

13.2 We and/or the Trustee may also in certain situations suspend the issue and realisation of Units in accordance with Clauses 10(B)(V), 13(F)(ii) and 13(G)(ii) of the Deed.

- 13.3 Subject to the provisions of the Code, any such suspension will take effect upon our written declaration to the Trustee (or vice versa, as the case may be) and will end as soon as practicable when the condition giving rise to the suspension no longer exists and no other condition under which suspension is authorised under this [paragraph 13](#) or the applicable provisions of the Deed exists upon our (or, as the case may be, the Trustee's) written declaration of the same and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code.

14. PERFORMANCE OF THE FUND

14.1 [Performance of the Fund](#)

The past performance of the Fund and its benchmark as at 31 August 2017, and its expense ratio are set out below.

Inception date: 10 April 2000	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception (%)	Expense ratio (%)(³)
(NAV-NAV) ⁽¹⁾	16.82	5.27	8.34	-1.12	0.53	3.26
(NAV-NAV [^]) ⁽²⁾	10.98	3.49	7.24	-1.62	0.24	
Benchmark (in SGD): MSCI Europe Small Companies Index ⁽⁴⁾	20.70	9.99	14.30	1.23	6.68	

[Notes:](#)

Source: Lipper, a Thomson Reuters Company.

[^] Taking into account the Subscription Fee.

(¹) Calculated on a NAV-to-NAV basis as at 31 August 2017, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

(²) Calculated on a NAV-to-NAV basis as at 31 August 2017, taking into account the Subscription Fee and Realisation Charge (if any), with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

(³) The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and is based on the Fund's latest audited accounts for the financial year ended 30 June 2017. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) interest expense;
- (c) foreign exchange gains and losses of the Fund, whether realised or unrealised;
- (d) front-end loads, back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;
- (e) tax deducted at source or arising from income received, including withholding tax; and
- (f) dividends and other distributions paid to Holders.

(⁴) Changes to benchmarks during the life of Fund and reasons for changes:

- (a) from inception to 31 December 2001 – MSCI Europe Small Cap USD;
- (b) from 1 January 2002 to 31 July 2008 – Citigroup Broad Market Index Europe less than US\$2 billion (formerly known as Salomon Smith Barney Broad Market European Index Market Cap less than US\$2 billion);
- (c) from 1 August 2008 to 30 November 2014 – MSCI Europe Mid Cap Index (Reason for change from previous benchmark: the benchmark was changed as a result of the amendment to the investment objective of the Fund);

- (d) from 1 December 2014 – MSCI Europe Small Companies Index (Reason for change from previous benchmark: following the change in the investment focus and approach of the Fund, the benchmark of the Fund was changed to reflect the benchmark of the Underlying Fund).

The past performance of the Fund is not necessarily indicative of its future performance.

14.2 Turnover ratio of the Fund

The turnover ratio of the Fund for the financial year ended 30 June 2017 is 18.41%.

The turnover ratio is calculated based on the lesser of purchases or sales of the Fund's underlying investments expressed as a percentage of the daily average net asset value of the Fund.

14.3 Turnover ratio of the Underlying Fund

The turnover ratio for the Underlying Fund for the period from 1 January 2016 to 31 December 2016 is 42%.

Such turnover ratio is calculated based on the lesser of purchases or sales of the Underlying Fund's underlying investments expressed as a percentage of the daily average net asset value of the Underlying Fund.

15. **SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

15.1 Soft dollar disclosures relating to the Managers

Subject to the provisions of the Code, we may from time to time receive or enter into soft dollar commissions/arrangements in our management of the Fund. We will comply with applicable regulatory and industry standards on soft dollars. The soft dollar commissions/arrangements may include specific advice as to the advisability of dealing in, or the value of, any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

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

We will not accept or enter into soft dollar commissions/arrangements unless (a) such soft dollar commissions/arrangements can reasonably be expected to assist us in the management of the Fund, (b) best execution is carried out for the transactions, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions/arrangements.

We do not, and are not entitled to, retain cash or commission rebates for our own account in respect of rebates earned when transacting in securities for account of the Fund.

15.2 Soft dollar disclosures relating to the Management Company and Investment Manager

Currently, the Management Company does not receive soft dollars and/or enter into soft-dollar commissions/arrangements in respect of its management of the Underlying Fund.

The Investment Manager may receive soft dollars and has entered into soft-dollar commissions/arrangements in respect of its management of the Underlying Fund.

The Underlying Fund's Investment Manager may enter into commission sharing or similar arrangements. Consistent with obtaining best execution, commission sharing agreements ("CSA") are agreements between the Underlying Fund's Investment Manager and nominated brokers that specify a certain proportion of dealing commission sent to a broker be reserved to pay for research with one or more third parties. The provision of research is subject to arrangements between the Underlying Fund's Investment Manager and the research providers and the commission split for execution and research is negotiated between the Underlying Fund's Investment Manager and the executing broker. Separately to CSA, executing brokers may also provide research with payment deducted from the execution cost. The receipt of investment research and information and related services permits

the Underlying Fund's Investment Manager to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Underlying Fund's Investment Manager.

16. CONFLICTS OF INTEREST

16.1 Managers' conflicts of interest disclosures

We are of the view that there is no conflict of interest in our management of other funds and the Fund because of the following structures in place:

- (a) Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- (b) All investment ideas are shared equally among fund managers.
- (c) We subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute ("**CFA Institute**") in the United States of America. The CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All charter holders of the CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of investment professionals as well as fair treatment of the investing public.
- (d) Despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk-return characteristic of the relevant fund.
- (e) Most importantly, our usual fair and unbiased practice is to allocate investments proportionately between various funds which place the same orders simultaneously. However, if there are any potential conflicts of interests due to competing orders for the same securities, we will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

We shall conduct all transactions with or for the Fund on an arm's length basis.

Save as provided in the Deed, our associates may be engaged to provide banking, brokerage, financial or other services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Fund, where provided, and such activities with the Trustee or us, where entered into, will be on an arm's length basis.

We and our related entities, officers or employees may from time to time invest and deal in Units in the Fund for each of our respective individual accounts or (in our case and in the case of our related entities) for the account of another person (including, without limitation, our and our related entities' other clients).

In such an event, we will have regard to our obligations to the Fund and, in particular, our obligation to act in the best interests of the Fund and its Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. If a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

Subject to the provisions of the Code, we may from time to time:

- (i) invest monies of the Fund in the securities of any of our related corporations (as defined in Section 4 of the Companies Act, Chapter 50 of Singapore) (each, a "**related corporation**");
- (ii) invest monies of the Fund in other collective investment schemes managed by us or our related corporations; and

- (iii) deposit monies of the Fund in the ordinary course of business of the Fund with our related corporations which are banks licensed under the Banking Act, Chapter 19 of Singapore, finance companies licensed under the Finance Companies Act, Chapter 108 of Singapore, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

We will endeavour to ensure that such investments and deposits are made on normal commercial terms and are consistent with the investment objective, focus and approach of the Fund.

16.2 Trustee's conflicts of interest disclosures

The Trustee shall conduct all transactions with or for the Fund on an arm's length basis.

The Trustee, the registrar and the custodian may from time to time act as trustee, administrator, registrar or custodian or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly and taking into account Holders' interests.

The services of the Trustee provided to the Fund are not deemed to be exclusive and the Trustee shall be free to render similar services to others (including those that may compete with (or have a similar objective to) the business of the Fund) so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all appropriate fees and benefits. Conflicts of interest will likely arise from the fact that State Street is engaged in a wide variety of businesses and will provide services to many clients with the same or different objectives. The Trustee and its related parties shall not be deemed to be affected with notice of or to be under any duty to disclose to the Fund any fact or information which comes to the notice of the Trustee in the course of the Trustee rendering similar services to other parties or in the course of its business in any other capacity, otherwise than in the course of carrying out its duties under the Deed or as required by any applicable laws and regulations for the time being in force.

Save as provided in the Deed, the associates of the Trustee may be engaged to provide banking, brokerage, financial or other services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or the Managers and make profits or derive benefits from these activities. Such services to the Fund, where provided, and such activities with the Trustee or the Managers, where entered into, will be on an arm's length basis. In particular:

- (a) State Street Bank and Trust Company, acting through its Singapore Branch, a party related to the Trustee, has been appointed as custodian of the Fund. The custodian may also appoint related parties as sub-custodians. Cash will be placed with the custodian as banker or may, at the discretion of the Managers, be invested in certificates of deposit or banking instruments issued by a related party of the Trustee, including the custodian. Money may also be borrowed by the Fund from a State Street entity. In its capacities as custodian and banker, State Street will earn fees/interest for such services and may receive other benefits in connection with such services.
- (b) Where foreign exchange transactions, including but not limited to spot, forward or swap transactions (collectively "**foreign exchange transactions**"), are entered into for or on behalf of the Fund with an affiliate of the Trustee (a "**State Street counterparty**"), the State Street counterparty will enter into such transaction as principal counterparty and not as agent or fiduciary for the Trustee, the Managers or the Fund and such State Street counterparty shall be entitled to retain for its own use and benefit any benefit which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions. Foreign exchange transactions may also be entered into for or on behalf of the Fund with counterparties other than a State Street counterparty.

16.3 Management Company's conflicts of interest disclosures

The Management Company or its affiliates may effect transactions that present a potential conflict between the Management Company's duty to the Underlying Fund and its duty to other investors or its own financial interests. Under applicable rules of conduct, the Management Company must try to avoid conflicts of interest and, when they cannot be avoided, must ensure that its clients (including the Underlying Fund) are fairly treated.

The Management Company will ensure that such transactions are effected on terms no less favourable to the Underlying Fund than if the potential conflict had not existed. However, neither the Management Company nor any of its affiliates will be liable to account to the Underlying Fund for any profit or any commission remuneration made or received from or by reason of such transactions or any connected transactions; nor, unless otherwise provided, will the Management Company's fees be adjusted.

16.4 Investment Manager's conflicts of interest disclosures

The Investment Manager, or its affiliates, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may affect the interests of other clients. This may pose a conflict of interest for the Investment Manager, particularly if the company or its staff earn higher compensation from one mandate, product or client than for another. For instance, Investment Manager, may buy and sell the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. Such conflicts may be more prevalent where the Investment Manager and individual portfolio managers may manage long only, long-short or short only mandates.

Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the particular mandate, product or client.

In certain situations, the management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Manager to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively affect investment performance.

17. **REPORTS**

The financial year-end of the Fund is 30 June.

The reports and accounts of the Fund will be sent or made available to Holders by post or by such electronic means as may be permitted under the Code within the following periods or such other periods as may be permitted by the Authority:

Report/account	Availability
(a) Annual report, annual audited accounts and the auditors' report on the annual accounts	Within 3 months of the end of the financial year.
(b) Semi-annual report and semi-annual accounts	Within 2 months of the end of the period to which the report and accounts relate.

If such reports and accounts are sent or made available to Holders by electronic means, the Trustee will also make available or cause to be made available hardcopies of the reports and accounts to any Holder who requests for them within 2 weeks of such request (or such other period as may be permitted by the Authority). Holders may also at any time choose to receive hardcopies of all future accounts and reports at no cost to them by notifying the relevant authorised agent or distributor in writing.

18. **QUERIES AND COMPLAINTS**

If you have any enquiries about the Fund, you may contact us at:

Hotline No : 1800 22 22 228
 Operating hours : 8 a.m. to 8 p.m. daily (Singapore time)
 Fax No : 6532 3868
 Email : uobam@uobgroup.com

19. OTHER MATERIAL INFORMATION

19.1 Market timing

The Fund is not designed and managed to support short-term investments. In this regard, we take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interests of other investors.

In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund which may disrupt the investment strategies to the detriment of long-term investors.

For the reasons set out above, we strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice. If any internal measure to restrict the practice of market timing amounts to a significant change to the Fund (as provided in the Code), we will inform Holders of such internal measure not later than one month before its implementation. We intend to review our policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in the Fund.

19.2 Information on investments

At the end of each quarter, you will receive a statement showing the value of your investments in the Fund. If you conduct any transaction(s) within a particular month, you will receive an additional statement at the end of that month.

19.3 Indemnities

We and the Trustee are entitled to be indemnified out of or have recourse to the Deposited Property in accordance with the terms of the Deed. See the Deed for further details.

20. PROVISIONS OF THE DEED

Some of the provisions of the Deed are set out below. *See the Deed for the full terms and conditions of the Fund.*

20.1 Valuation

Except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, with reference to either the Deposited Property or any part thereof of any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated as the case may be by reference to the official closing price, the last known transacted price or the last transacted price on such Recognised Stock Exchange or OTC Market on which the investment is listed, dealt or traded as at the Valuation Point on the relevant Dealing Day. Where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an OTC Market as at the Valuation Point on the relevant Dealing Day;
- (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (1) the initial value thereof being the amount expended in the acquisition thereof; (2) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such particular market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Investment; or (3) the sale prices of recent public or private transactions in the same or similar investments, valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;

- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers, any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust scheme or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (e) an Investment other than as described above, shall be valued (by a person approved by the Trustee as qualified to value such an investment) in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine,

provided that, if the quotations referred to in (a), (b), (c), (d) and (e) above are not available, or if the value of the Authorised Investment determined in the manner described in (a), (b), (c), (d) or (e) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may consider with due care and in good faith in the circumstances to be fair value subject to the consent of the Trustee and the Trustee shall decide if a notice to notify the Holders of such determination by the Managers is required to be given by the Managers. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with a Stockbroker or an Approved Valuer and with the approval of the Trustee in accordance with the Code. Where the fair value of a material portion of the Deposited Property cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units.

20.2 Compulsory realisations

The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units held by:

- (a) any Holder:
 - (i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Managers:
 - (i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
 - (ii) may cause the offer of the Units of the Fund, the Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Managers:
 - (i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or
 - (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or

- (e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (f) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where (in the opinion of the Managers or the Trustee) such information or data is necessary or desirable for the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of the Fund and/or the Holder.

Any compulsory realisation under this paragraph may be carried out by the Managers on any Dealing Day, with prior notice to the relevant Holder, and shall be carried out in accordance with, and at the realisation price determined under, the applicable provisions on realisations in the Deed.

If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled, at any time with prior notice to that Holder, to realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

The Managers, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, Trustee and/or any of their respective delegates, agents or associates under this paragraph 20.2.

20.3 Custody of Deposited Property

The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit (including itself or its associates) as agents, nominees, custodians or sub custodians in respect of any of the Deposited Property and (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with prior consent in writing of the Trustee, sub-custodians in respect of any of the Deposited Property, and the fees and expenses of such agents, nominees, custodians and sub custodians shall be paid out of the Deposited Property. Subject to Clause 26(D) of the Deed, the Trustee shall remain liable for any act or omission of any agent, nominee, custodian or sub-custodian with whom bearer Authorised Investments or documents of title to registered Authorised Investments are deposited as if the same were the act or omission of the Trustee. In relation to any investment in registered form, the Trustee shall not be liable for any act or omission of any agent, nominee, custodian, joint custodian or sub-custodian appointed by it except where the Trustee shall have been negligent or in default in the appointment and monitoring thereof. The Trustee may at any time procure that:

- (a) the Trustee; or
- (b) any officer or responsible official of the Trustee jointly with the Trustee; or
- (c) any agent or nominee appointed by the Trustee; or
- (d) any such agent or nominee of the Trustee; or
- (e) any custodian, joint custodian or sub-custodian (or in each case its nominee) appointed pursuant to the provisions of this paragraph; or
- (f) any company operating a recognised clearing system (including its nominee) in respect of the Authorised Investments of the Fund; or

- (g) any broker, financial institution or other person (or in each case, its nominee, its custodian or its custodian's nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

takes delivery of and retains and/or be registered as proprietor of any Authorised Investment or other property held upon trusts of the Deed.

Any Authorised Investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee and/or its nominee and shall remain so registered until disposed of pursuant to the provisions of the Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Authorised Investments held upon the trusts of the Deed in its possession in safe custody.

20.4 Saving clause as to indemnities

Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed

20.5 Termination of the Fund

- (a) The Fund is of indeterminate duration and may be terminated as provided in Clause 34 of the Deed, which is set out in this paragraph.
- (b) Either the Trustee or the Managers may in their absolute discretion terminate the Fund by not less than 6 months' notice in writing to the other given so as to expire at the end of the Accounting Period current at the end of the 5th year after the date of the Principal Deed or any year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least 3 months before the relevant date of its or their remuneration hereunder. In the event that the Fund shall fail to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than 3 months in advance. Subject as aforesaid and subject to the revocation or withdrawal of the authorisation of the Fund by the relevant authority pursuant to Section 288 of the SFA, the Fund shall continue until terminated in the manner hereinafter provided.
- (c) Subject to Section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:
 - (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
 - (ii) if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
 - (iii) if within the period of 3 months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee of the Fund within the terms of Clause 31 of the Deed; and
 - (iv) if the relevant authority so directs or if the authorisation of the Fund is revoked or withdrawn by the relevant authority pursuant to Section 288 of the SFA.

The decision of the Trustee in any of the events specified in this sub-paragraph (c) shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this sub-paragraph or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to them therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

- (d) The Fund may be terminated by the Managers by notice in writing as hereinafter provided:
- (i) on the 3rd anniversary of the date of the Principal Deed or on any date thereafter if on such date the aggregate Value of the Deposited Property shall be less than S\$5,000,000; or
 - (ii) if any law shall be passed which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; or
 - (iii) if the relevant authority so directs or if the authorisation of the Fund is revoked or withdrawn by the relevant authority pursuant to Section 288 of the SFA.
- (e) The party terminating the Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect which date shall not be less than 3 months after the service of such notice. The Managers shall give not less than 7 days (or such other notice period as may be permitted by the relevant authority) prior notice of such termination to the relevant authority.
- (f) The Fund may at any time after 5 years from the date hereof be terminated by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule of the Deed and such termination shall take effect from the date on which the Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Trustee may (with the consent of the Managers) move the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

20.6 Voting

Subject to the relevant provisions of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any of the Deposited Property in what they may consider to be the best interests of the Holders.

However, notwithstanding the above, in respect of voting rights where the Managers may face conflicts of interests, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.

The phrase “**rights of voting**” or the word “**vote**” used in this paragraph 20.6 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

See the Deed for other provisions relating to voting.

APPENDIX 1 – EXTRACT OF ARTICLE 16 OF THE MANAGEMENT REGULATIONS

This Appendix 1 sets out an extract of article 16 of the Management Regulations. The term “**Fund**” in this Appendix 1 refers to Pioneer Funds and the terms “**Sub-Fund**” or “**Sub-Funds**” refer to sub-fund(s) of Pioneer Funds, which include the Underlying Fund.

In this Appendix 1, the following definitions shall apply:

“Base Currency”	The assets and liabilities of a Sub-Fund are valued in its Base Currency and the financial statements of the Sub-Funds are expressed in the Base Currency.
“Group of Companies”	Companies that draw up consolidated accounts in accordance with Council Directive 83/349/EEC.
“Member State”	A member State of the EU.
“Money Market Instruments”	Instruments that are normally dealt in on the money market which are liquid, and have a value that can be accurately determined at any time.
“Net Asset Value”	The Net Asset Value per Unit stated in the Pricing Currency of the Unit class calculated by dividing the total net assets (assets less liabilities) attributable to the Unit class by the total number of Units of that class outstanding on the relevant Valuation Day.
“Other Regulated Market”	A market that is regulated, operates regularly and is recognized and open to the public, as defined by the 2010 Law.
“Other State”	Any country which is not a Member State of the EU.
“Pricing Currency”	The currency in which the Units in a particular class within a Sub-Fund are denominated.
“Regulated Market”	A regulated market as defined in paragraph 14 of article 4 of Directive 2004/39/EC. A list of regulated markets is available from the European Commission or at : http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF
“Regulatory Authority”	The Commission de Surveillance du Secteur Financier or its successor in charge of the supervision of the UCI in the Grand Duchy of Luxembourg.
“Transferable Securities”	A category that includes all of the following: <ul style="list-style-type: none"> → shares and other securities equivalent to shares; → bonds and other debt instruments; → any other negotiable securities (but not techniques or Instruments), that confer the right to acquire transferable securities through purchase or exchange.
“UCITS Directive”	European Parliament and Council Directive 2009/65/EC.
“Unitholders”	Unitholders of the Fund.
“Units”	Units of the Fund.
“U.S.A.”, “U.S.” or “United States of America”	The United States of America.

16. Investment Restrictions, Techniques and Instruments

16.1 Investment Restrictions

The Management Company shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Base Currency of a Sub-Fund, the Pricing Currency of the relevant class of Units, as the case may be, and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under chapter “Investment Objectives and Policies” in the sales documents, the investment policy of each Sub-Fund shall comply with the rules and restrictions laid down hereafter:

A. Permitted investments:

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

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) 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 in an Other State or on an Other Regulated Market as described under (1)-(3) above;
 - such admission is secured within one year of issue;
- (5) shares or units of UCITS authorised according to the UCITS Directive (including Units issued by one or several other Sub-Funds of the Fund and shares or units of a master fund qualifying as a UCITS, in accordance with the Law of 17 December 2010) and/or other UCIs within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether established in a Member State or in an Other State, provided that:
 - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Norway and Japan);
 - 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 short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of UCITS Directive;
 - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
 - 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, in aggregate be invested in units of other UCITS or other UCIs;
- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law⁷;
- (7) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter (“**OTC derivatives**”), provided that:
 - (i) → the underlying consists of instruments covered by this Section A., financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund 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 Regulatory Authority, and

⁷ Applicable European Union law.

- 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.
- (ii) under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives.
- (8) Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities in compliance with the Grand-Ducal Regulation of 8 February 2008.

B. However, each Sub-Fund:

- (1) shall not invest more than 10% of its assets in Transferable Securities or Money Market Instruments other than those referred to above under A;
- (2) shall not acquire either precious metals or certificates representing them;
- (3) may hold ancillary liquid assets;
- (4) may borrow up to 10% of its assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction;
- (5) may acquire foreign currency by means of a back-to-back loan.

C. Investment Restrictions:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in (1) to (5), (8), (9), (13) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

→ Transferable Securities and Money Market Instruments

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (i) upon such purchase more than 10% of its assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or

- (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its assets would exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the assets of such Sub-Fund.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by (i) a Member State, its local authorities, or a public international body of which one or more Member State(s) are member(s), (ii) any Member State of the Organisation for Economic Cooperation and Development (“OECD”) or any member country of the G-20, or (iii) Singapore or Hong Kong, provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Sub-Fund.
- (7) Without prejudice to the limits set forth hereunder under (b) Limitation on Control, the limits set forth in (1) are raised to a maximum of 20% for investments in stocks and/or debt securities issued by the same body when the aim of the Sub-Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Regulatory Authority, 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,
 - it is published in an appropriate manner.

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

→ **Bank Deposits**

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

→ **Derivative Instruments**

- (9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund’s assets when the counterparty is a credit institution referred to in A. (6) above or 5% of its assets in other cases.
- (10) Investment in financial derivative instruments shall only be made within the limits set forth in (2), (5) and (14) and provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (C) (a) (10) and (D) hereunder as well as with the risk exposure and information requirements laid down in the sales documents of the Fund.

→ **Units of Open-Ended Funds**

- (12) No Sub-Fund may invest more than 20% of its assets in the units of a single UCITS or other UCI; unless it is acting as a feeder fund (“**Feeder**”) in accordance with the provisions of Chapter 9 of the Law of 17 December 2010.

A Sub-Fund acting as a Feeder shall invest at least 85% of its assets in the shares or units of another UCITS or of a compartment of such UCITS (the “**Master**”).

A Sub-Fund acting as a Master shall not itself be a Feeder nor hold shares or units in a Feeder.

For the purpose of the application of these investment limits, each sub-fund of a UCI with multiple sub-funds within the meaning of article 181 of the Law of 17 December 2010 is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of a 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 (1) to (5), (8), (9), (13) and (14).

When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or indirectly by delegation, by the same management company or by any other company with which this 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 Sub-Fund’s investment in the units of such other UCITS and/or other UCIs.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the relevant Sub-Fund’s part of the sales documents of the Fund the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

A Sub-Fund may subscribe, acquire and/or hold Units to be issued or issued by one or more other Sub-Fund(s) of the Fund under the condition that:

- the target Sub-Funds do not, in turn, invest in the Sub-Fund invested in these target Sub-Funds;
- no more than 10% of the assets of the target Sub-Funds which acquisition is contemplated may be invested in aggregate in Units of other target Sub-Funds;
- in any event, for as long as these Units are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
- there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Funds, and these target Sub-Funds.

→ **Combined limits**

- (13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a 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, and/or
 - exposures arising from OTC derivative transactions undertaken with that body.
- (14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35 % of the assets of each Sub-Fund.

(b) Limitations on Control

- (15) With regard to all UCITS under its management, the Management Company may not acquire voting shares to the extent that it is able overall to exert a material influence on the management of the issuer.
- (16) The Fund as a whole may acquire no more than (i) 10% of the outstanding nonvoting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS and/or UCI.

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

The limits set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- Shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that state a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investment policy the restrictions set forth under C., items (1) to (5), (8), (9) and (12) to (16); and
- Shares held by one or more Sub-Funds in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of units at the request of unitholders, exclusively on its or their behalf.
- Units or shares of a Master held by a Sub-Fund acting as a Feeder in accordance with Chapter 9 of the Law of 17 December 2010.

D. Global Exposure:

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

E. Additional investment restrictions:

- (1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps on such foreign currencies, financial instruments, indices or Transferable Securities thereon are not considered to be transactions in commodities for the purposes of this restriction.
- (2) No Sub-Fund may invest in real estate or any option, right or interest therein, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8) and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in “Securities Lending and Borrowing” below).
- (4) The Fund may not enter into short sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A., items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

- (1) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Sub-Fund's portfolio.
- (2) If such limits are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its unitholders.

The Management Company has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Units of the Fund are offered or sold.

16.2 Swap Agreements and Efficient Portfolio Management Techniques

The Fund may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management, duration management and hedging purposes as well as for investment purposes, in compliance with the provisions laid down in 16.1. “Investment Restrictions”.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives and risk profiles as laid down under “Investment Objectives and Policies” in the sales documents of the Fund.

In addition to any limitation contained herein, for particular Sub-Funds to be determined by the board of directors of the Management Company from time to time and disclosed in the sales documents of the Fund, the total amount (i.e. total amount of commitments taken and premiums paid in respect of such transactions) held in derivatives for the purposes of risk hedging, duration or efficient portfolio management as well as for investment purposes (with the exception that amounts invested in currency forwards and currency swaps for hedging are excluded from such calculation) shall not exceed at any time 40% of the Net Asset Value of the relevant Sub-Fund.

i. Swap Agreements

Some Sub-Funds of the Fund may enter into Credit Default Swaps.

A Credit Default Swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between the par value and the market price of the said bond or other designated reference obligations when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

Provided it is in its exclusive interest, the Fund may sell protection under Credit Default Swaps (individually a “**Credit Default Swap Sale Transaction**”, collectively the “**Credit Default Swap Sale Transactions**”) in order to acquire a specific credit exposure.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under Credit Default Swaps (individually a “**Credit Default Swap Purchase Transaction**”, collectively the “**Credit Default Swap Purchase Transactions**”) without holding the underlying assets.

Such swap transactions must be effected with first class financial institutions specializing in this type of transaction and executed on the basis of standardized documentation such as the International Swaps and Derivatives Association (ISDA) Master Agreement.

In addition, each Sub-Fund of the Fund must ensure to guarantee adequate permanent coverage of commitments linked to such Credit Default Swap to always be in a position to honour redemption requests from investors.

Some Sub-Funds of the Fund may enter into other types of swap agreements such as total return swaps, interest rate swaps, swaptions and inflation-linked swaps with counterparties duly assessed and selected by the Management Company that are first class institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority.

ii. Efficient Portfolio Management Techniques

Any Sub-Fund may enter into efficient portfolio management techniques, including securities lending and borrowing and repurchase and reverse repurchase agreements, where this is in the best interests of the Sub-Fund and in line with its investment objective and investor profile, provided that the applicable legal and regulatory rules are complied with:

(a) Securities Lending and Borrowing

Any Sub-Fund may enter into securities lending and borrowing transactions provided that it complies with the following rules:

- (i) The Sub-Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution, through a lending program organized by a financial institution or through a first class financial institution specialising in this type of transaction, subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law.

- (ii) As part of lending transactions, the Sub-Fund must receive a guarantee, the value of which must be, during the lifetime of the agreement, at any time at least 90% of the value of the securities lent.
- (iii) The Sub-Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled at all times to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Sub-Fund's assets in accordance with its investment policy.
- (iv) The Sub-Fund shall ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.⁸
- (v) The securities borrowed by the Sub-Fund may not be disposed of during the time they are held by this Sub-Fund, unless they are covered by sufficient financial instruments which enable the Sub-Fund to reconstitute the borrowed securities at the close of the transaction.
- (vi) The Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises the right to repurchase these securities, to the extent such securities have been previously sold by the Sub-Fund.

(b) Reverse Repurchase and Repurchase Agreement Transactions

Any Sub-Fund may, on an ancillary or a principal basis, as specified in the description of its investment policy disclosed in the sales documents of the Fund, enter into reverse repurchase and repurchase agreement transactions which consist of a forward transaction at the maturity of which:

- (i) The seller (counterparty) has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 dated 4 June 2008 and they must conform to the relevant Sub-Fund's investment policy; or
- (ii) The Sub-Fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Sub-Fund may only enter into these transactions if the counterparties in such transactions are subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those provided by Community law.

A Sub-Fund must take care to ensure that the value of the reverse repurchase or repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards its unitholders.

A Sub-Fund that enters into a reverse repurchase transaction must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

A Sub-Fund that enters into a repurchase agreement must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

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

iii. Management of Collateral⁹

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for under item 16.1. C. (a) above.

⁸ Sub-Funds launched prior to 18 February 2013 (currently applying CSSF Circular 08/356) will have to comply with this provision by 18 February 2014.

⁹ Sub-Funds launched prior to 18 February 2013 (currently applying CSSF Circular 08/356) will have to comply with this provision by 18 February 2014, except for rules applying to the reinvestment of cash collateral which apply as from 18 February 2013.

Where a Sub-Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- (a) any collateral received other than cash shall 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 shall also comply with the provisions of 16.1. C. (b) above.
- (b) collateral received shall be valued in accordance with the rules of article 17.4. of the Management Regulations on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- (c) collateral received shall be of high quality.
- (d) the collateral received shall 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 shall 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 UCITS 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 UCITS are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. Sub-Funds that intend to be fully collateralised in these securities as well as the identity of the Member States, third countries, local authorities, or public international bodies issuing or guaranteeing these securities will be disclosed in the prospectus of Pioneer Funds.
- (f) Where there is a title transfer, the collateral received shall be held by the depositary. 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.
- (g) Collateral received shall be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.
- (h) Non-cash collateral received shall not be sold, re-invested or pledged.
- (i) Cash collateral received shall only be:
 - placed on deposit with entities as prescribed in 16.1. A. (6) above;
 - invested in high-quality government bonds;
 - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
 - invested in short-term money market funds as defined in the "Guidelines on a Common Definition of European Money Market Funds".

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

(D) Risk Management Process

The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Sub-Fund.

In relation to financial derivative instruments the Fund must employ a process for accurate and independent assessment of the value of OTC derivatives and the Fund shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

The global risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The Fund may use VaR and/or, as the case may be, commitments methodologies depending on the Sub-Fund concerned, in order to calculate the global risk exposure of each relevant Sub-Fund and to ensure that such global risk exposure relating to financial derivative instruments does not exceed the total Net Asset Value of such Sub-Fund.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in articles 16.1. and 16.2. of the Management Regulations in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in article 16.1 herein.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in article 16.1. item C a) (1)-(5), (8), (9), (13) and (14) of the Management Regulations.

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

(E) Co-Management Techniques

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Management Company may decide that part or all of the assets of a Sub-Fund will be co-managed with assets belonging to other Sub-Funds within the present structure and/or other Luxembourg collective investment schemes. In the following paragraphs, the words “co-managed entities” shall refer to the Fund and all entities with and between which there would exist any given co-management arrangement and the words “co-managed Assets” shall refer to the entire assets of these co-managed entities co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of each Sub-Fund’s portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investment shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Unitholders should be aware that, in the absence of any specific action by the board of directors of the Management Company or its appointed agents, the co-management arrangement may cause the composition of assets of the Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions.

Thus, all other things being equal, subscriptions received in one entity with which the Fund or any Sub-Fund is co-managed will lead to an increase in the Fund’s and Sub-Fund’s reserve(s) of cash. Conversely, redemptions made in one entity with which the Fund or any Sub-Fund is co-managed will lead to a reduction in the Fund’s and Sub-Fund’s reserves of cash respectively. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the board of directors of the Management Company or its appointed agents to decide at any time to terminate its participation in the co-management arrangement permit the Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the Fund and of its Unitholders.

If a modification of the composition of the Fund’s portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Fund) is likely to result in a breach of the investment restrictions applicable to the Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the Fund shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to ensure that investment decisions are fully compatible with the investment policy of the Fund. Co-managed Assets shall only be co-managed with assets for which the depositary is also acting as depositary in order to assure that the depositary is able, with respect to the Fund, to fully carry out its functions and responsibilities pursuant to the Law of 17 December 2010. The depositary shall at all times keep the Fund's assets segregated from the assets of other co-managed entities, and shall therefore be able at all times to identify the assets of the Fund. Since co-managed entities may have investment policies, which are not strictly identical to the investment policy of the Fund, it is possible that as a result the common policy implemented may be more restrictive than that of the Fund.

A co-management agreement shall be signed between the Fund, the depositary, the administrator and the Investment Managers in order to define each of the parties' rights and obligations. The board of directors of the Management Company may decide at any time and without notice to terminate the co-management arrangement. Unitholders may at all times contact the registered office of the Fund to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

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