GENERAL INFORMATION

Initial Offer Period

During an initial offer period, the initial issue price of shares in the relevant fund will be £10 for every share class, unless swing factors are applied to the initial issue price. Subject to payment being received prior to the close of the initial offer period, shares in the relevant fund will be allotted to investors. Subscription requests made during the initial offer period should be received on or before the dealing cut-off time (12.00 noon UK time) of the final day of the initial offer period. Any subscriptions received after the cut off time will be processed on the next dealing day and shares shall be issued at the relevant NAV per share of the relevant fund as determined on the dealing day on which they are issued.

Each fund will be invested in accordance with its investment policy once shares have been allotted to those investors who subscribe during the initial offer period. The period of time taken to invest will depend on the view taken of the market generally and of individual stocks in particular. Investors will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. If an application for subscription is not successful, the subscription monies will be returned where permitted by applicable law without interest. Following the initial offer period, shares shall be issued at the relevant NAV per share as determined on the dealing day on which they are issued.

Certain funds have classes of shares which have not launched at the publication date of this prospectus. Where this is the case, shares in the relevant fund will be made available at a date to be determined by the ACD.

Base Currency

The base currency of the OEIC and each fund is Pounds Sterling. Sterling Shares are issued and redeemed in Sterling.

Accounting Period

The annual accounting period of the OEIC ends each year on 31 December. The interim accounting period ends each year on 30 June.

RISK DESCRIPTIONS

Introduction to Risks

While the risk information in this prospectus is intended to give an idea of the main risks associated with each fund, any fund could be affected by other risks in this section as well as risks not named here, and the risk descriptions themselves are not intended as exhaustive.

An investment in a fund comes with a significant degree of risk. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual funds. It is not possible to identify every risk relevant to investing in a fund. However, the significant risks of investing in the funds are detailed below.

Any of these risks could cause a fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

The Fund Risk Table shown in Appendix I under the heading entitled “Fund Main Risks Table” indicates which risks are particularly relevant to the funds, but the list and table does not purport to be exhaustive. These risks should be carefully considered by investors.

In addition, unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including extreme volatility, significantly reduced liquidity, exchange trading suspensions and closures, and disruptions in the operations linked to the funds as well as in trading markets in general. Some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. Legal, regulatory and tax changes could occur and may adversely affect the investments in which a fund invests. Different and sometimes conflicting legislation or regulations may exist between the country of incorporation/operation of investee companies and the country where the fund is incorporated. In such scenarios, the investment manager will follow defined internal procedures.

Generic Risks

The following risks apply to all funds within this prospectus, regardless of what type of security they invest in, or the investment strategy that is deployed. While each of these risks will apply to varying degrees of significance, they are inherently associated with an investment in financial instrument or security.

Conflicts of Interest risk The investment manager or its designees may at times find their obligations to a fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

Counterparty risk An entity with which the fund does business could become unwilling or unable to meet its obligations to the fund.

Custody risk and Depositary insolvency The depositary has a duty to ensure that it safeguards and administers scheme property in compliance with the FCA Rules. Securities of the funds will normally be identified in the custodian's books as belonging to the funds and segregated from other assets of the custodian, although no such segregation applies to cash, which is generally held by the custodian acting as banker. In the event that the depositary and/or custodian becomes insolvent or otherwise fails, there may be a risk of loss or delay in return of certain scheme property.

Cybersecurity risk The fund may be subject to operational and information security risks resulting from breaches in cybersecurity. Cybersecurity breaches may involve unauthorised access to the digital information systems (e.g., through “hacking” or malicious software coding) of the fund or its third-party service providers, but may also result from outside attacks such as denial-of-service attacks. These breaches may, among other things, result in financial losses to the fund and its shareholders, cause the fund to lose proprietary information, disrupt business operations, or result in the unauthorized release of confidential information. Further, cybersecurity breaches involving third-party service providers, trading counterparties, or issuers in which the fund invests could subject the fund to many of the same risks associated with direct breaches.

Inflation risk Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on the Fund you invest

in, it will erode the value of the Fund and its investments in real terms.

Investment fund risk As with any investment fund, investing in any of these funds (and, by implication, any subsequent funds that these funds may also invest in, in accordance with the general investment policies and restrictions) 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 a fund and cause the fund's NAV to fall
- the investor cannot direct or influence how money is invested while it is in a fund
- a fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor
- the funds are subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the funds decide to register in jurisdictions that impose narrower limits, this decision could further limit the fund's investment activities
- because the funds are based in the UK, any protections that would have been provided by other regulators (including, for investors outside the UK, those of their home regulator) may not apply
- because fund shares are not publicly traded, the only option for liquidation of shares is generally redemption, which could be subject to delays and any other redemption policies set by the fund

Market Liquidity risk In extreme market conditions it may be difficult to sell the portfolio of securities owned by a fund and it may not be possible to redeem shares at short notice, particularly in large quantities. We may have to delay acting on your instructions to redeem or the price at which you redeem shares may be lower than you anticipated.

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

Examples of these factors include:

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

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

Operational risk A fund may be subject to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, and trading, among other things. In addition, in any market, but especially in emerging markets, there could be losses due to fraud, corruption, political or military actions, the seizure of assets, or other irregular events.

Sustainability risk An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and performance of the fund.

Fund Specific Risks

Each fund will also face a number of additional risks by virtue of the specific types of security in which it invests, as well as the investment strategy deployed to select and purchase those securities. These risks are documented in the Fund Main Risks Table shown in Appendix I. Fund specific risks are not fixed and can change periodically upon review and is not exhaustive.

Asset-backed securities (ABS) and mortgage-backed securities (MBS) risks Asset-backed securities are bonds that represent an ownership interest in an underlying pool of mortgage-related and/or consumer receivables. Amortizing assets such as home equity loans, credit card debt, car loans, student loans, equipment leases, collateralised repo loans and EETCs (Enhanced Equipment Trust Certificates) typically pass principal and interest payments directly to investors, while revolving assets (such as credit card receivables and home equity lines of credit) typically reinvest principal and interest payments in new collateral for a specified period of time. Mortgage-backed securities are securities representing an interest in a pool of mortgages and may include collateralised mortgage obligations, which are debt securities that are fully collateralised by a portfolio of mortgages or mortgage-backed securities, commercial mortgage-backed securities and stripped mortgage securities.

These securities may be subject to greater liquidity, credit, default and interest rate risk compared to other bonds. They are often exposed to extension and prepayment risk.

Contingent Convertible bond risk Contingent Convertible Bonds, also known as CoCos, are typically issued by financial institutions and have similar characteristics to Convertible Bonds with the main exception being that their conversion is subject to predetermined conditions referred to as trigger events, usually set to capital ratio, and which vary from one issue to another. As an example, when the capital ratio of the CoCo issuer falls under a certain level, which depends on the accounting rules currently applicable, the issuer needs to convert debt to equity and the CoCo holders receive common shares in exchange for the CoCo. This may happen at a time which is not ideal to buy the common shares and investors may also suffer a loss depending on the conversion ratio. The issuer's supervisory authority may intervene at any time in the conversion or written down process. Depending on the scenario, the principal amount invested may be lost permanently or temporarily, fully or partially. CoCos may be held for longer than expected and thus also expose investors to higher interest rate risk.

Convertible bond risk Convertible bonds are debt instruments which embed an option to convert the bond to stock of the issuer. They are most often issued by companies with a lower credit rating and higher growth potential. Until conversion, they have similar characteristics to bonds with the exception that their price will normally be influenced by the underlying security market fluctuations and dividend changes. The market for convertible bonds is usually less liquid than it is for non-convertible debt securities.

Country risk – China Certain funds may invest in securities or instruments which are listed in the Chinese markets (where "China" or the "PRC" means the People's Republic of China). These investments are subject to the risks described under "Emerging market risk" below as well as to the following risks.

QFII licence Some funds may invest in local Chinese securities ("China A securities") using a qualified foreign institutional investor ("QFII") license. Chinese regulators require that the name of the QFII licence holder be used in connection with assets held on behalf of the relevant funds. The regulators acknowledge that the assets in a fund's account belong to that fund and not to the investment manager or a sub-investment manager, and the depositary has set up a sub-account in the name of each relevant fund (which is allowed under Chinese law). However, should creditors of the QFII assert that the assets in the accounts are owned by the QFII and not the relevant fund, and if a court should uphold this assertion, creditors of the QFII could seek payment from the assets of the relevant fund.

Onshore and offshore renminbi In China, the government maintains two separate currencies: internal renminbi (CNY), which

must remain within China and generally cannot be owned by foreigners, and external renminbi (CNH), which can be owned by any investor. The exchange rate between the two, and the extent to which currency exchanges involving CNH are allowed, are managed by the government, based on a combination of market and policy considerations. This effectively creates currency risk within a single nation's currency, as well as liquidity risk, since the conversion of CNY to CNH, and of CNH to other currencies, can be restricted, and any currency can be removed from China or Hong Kong.

China Bond Connect ("Bond Connect") is a bond trading link between China and Hong Kong which allows foreign institutional investors to invest in onshore Chinese bonds and other debt instruments traded on the China Interbank Bond Market ("CIBM").

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority must open omnibus nominee accounts with an onshore custody agent recognised by the People's Bank of China ("PBOC"). All bonds traded by eligible foreign investors will be registered in the name of the offshore custody agent, which will hold such bonds as a nominee owner.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent and/or other third parties. As such, the funds are subject to the risks of default on the part of such third parties.

Investing in instruments traded on the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change which may potentially have retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the funds' ability to invest in the CIBM will be adversely affected. In such event, the relevant fund's ability to achieve its investment objective may be negatively affected.

There is no specific written guidance from the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors via the Bond Connect. Tax may be withheld on a retroactive basis.

Trading through Bond Connect can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the funds may not be able to buy or sell at the desired time or price.

China Interbank Bond Market Market volatility and potential lack of liquidity due to low trading volumes of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The funds investing in the China Interbank Bond Market are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the funds transact in the China Interbank Bond Market, the funds may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the funds may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the China Interbank Bond Market have to be carried out via an onshore settlement agent, the funds are subject to the risks of default or errors on the part of the onshore settlement agent.

The China Interbank Bond Market is also subject to regulatory risks. The relevant rules and regulations on investment in the China Interbank Bond Market is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the fund's ability to invest will be limited and, after exhausting other trading alternatives, the funds may suffer substantial losses as a result.

ChiNext Market ("ChiNext") and Science & Technology Innovation Board ("STAR board"). Certain funds may have exposure to stocks listed on ChiNext of the Shenzhen Stock Exchange ("SZSE") and/or the STAR board of the Shanghai Stock Exchange ("SSE"). ChiNext is a board of the SZSE and aims to provide investors with access to new and fast-growing Chinese technology companies.

STAR board is a government initiative that, by allowing professional trading and listing, aims to enhance the capability to serve technology innovation and to promote the high-quality development of China's economy. Any investment in shares listed on STAR Board will be limited to 20%, unless otherwise indicated in the fund description page of any fund.

Listed companies on ChiNext market and/or STAR board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors, may have limited liquidity compared to other boards. The rules and regulations regarding companies listed on these markets are less stringent in terms of profitability and share capital than those in the main boards of the SZSE and/or the SSE.

Stock Connect The funds may invest in certain Shanghai-listed and Shenzhen-listed securities ("Stock Connect Securities") through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect respectively ("Stock Connect"), a joint securities trading and clearing program designed to permit mutual stock market access between mainland China and Hong Kong. Stock Connect is a joint project of the Hong Kong Exchanges and Clearing Limited ("HKEC"), China Securities Depository and Clearing Corporation Limited ("ChinaClear"), the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Hong Kong Securities Clearing Company Limited ("HKSCC"), a clearing house that in turn is operated by HKEC, acts as nominee for investors accessing Stock Connect Securities.

Risks of investing through Stock Connect include:

- The regulations governing the Stock Connect are untested, subject to change and may have potential retrospective effect. It is uncertain how they will be applied, and they could be changed.
- The Stock Connect Securities in respect of the funds are held by the depositary/ sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the Stock Connect Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for the Stock Connect. The precise nature and rights of the funds as the beneficial owners of the Stock Connect Securities through HKSCC as nominee is not well defined under Chinese law. Therefore, the exact nature and methods of enforcement of the rights and interests of the funds under Chinese law is uncertain.
- Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims against ChinaClear. A fund's attempts to recover lost assets could involve considerable delays and expenses, and may not be successful.
- The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to the OEIC or the funds and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted

to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant fund's ability to invest in the Stock Connect Securities on a timely basis, and the relevant fund may not be able to effectively pursue its investment strategy.

- When a share is recalled from the scope of eligible shares for trading via the Stock Connect, the share can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the funds.
- Each of the HKEC, the Shanghai Stock Exchange and the Shenzhen Stock Exchange reserves the right to suspend trading. Where a suspension is effected, the relevant fund's ability to access the Chinese market will be adversely affected.
- Investment in Stock Connect Securities is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations.
- Trading through Stock Connect can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly, the funds may not be able to buy or sell at the desired time or price.
- The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the fund's ability to invest in China A shares or access the mainland China market through the programme will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

Country risk – Russia and Ukraine In these countries, risks associated with custody and counterparties are higher than in developed countries. Russian custodial institutions observe their own rules, have significantly less responsibilities to investors, may be poorly regulated, or may otherwise be susceptible to fraud, negligence or error. The Russian securities market may also suffer from impaired efficiency and liquidity, which may worsen price volatility and market disruptions.

Direct investment in Russian securities that are not traded through the Russian Trading System and the Moscow Interbank Currency Exchange is limited to 10% of fund assets. However, as the Russian Trading System and the Moscow Interbank Currency Exchange are recognised as Regulated Markets, securities that are listed or traded on those markets are not subject to that 10% limit. This does not mean these securities are free from the risks mentioned in the previous paragraph, or from a generally higher degree of risk than, for example, comparable European or US securities.

Russia and Ukraine also can be subject to strong or sudden political risks, such as sanctions or military actions.

Country risk – Saudi Arabia It is necessary in Saudi Arabia to use a trading account to buy and sell securities. This trading account can be held directly with a broker, or held with a custodian. Where the trading account is held at the custodian, this is known as the Independent Custody Model (ICM). The ICM approach is preferable because securities are under the safe keeping and control of the custodian and would be recoverable in the event of the bankruptcy of the custodian. Where investments are held in Saudi Arabia through the ICM, a broker Standing Instruction letter is in place to authorise the fund's sub-custodian to move securities to a trading account for settlement, based on the details supplied by the broker. At this stage an authorised broker could potentially either fraudulently or erroneously sell the securities (and whether the securities were held through the ICM or direct broker approach). Opportunities for a local broker to conduct fraudulent transactions on the market are limited due to short trading hours (e.g. trading hours are 10am to 3pm). This risk is further mitigated by a manual pre-matching process, which validates client settlement instructions with the local broker contract note and the transaction report from the depository. Similar risks also apply to using a broker trading account. In addition where a broker trading account is used, the account is set up directly with the broker, in the fund's name, but in the event of the broker defaulting, although it is believed assets are ring-fenced, there may be a delay to recovering them and legal proceedings may need to be initiated in order to do so.

Credit risk A bond or money market security could lose value if the issuer's financial health deteriorates.

If the financial health of the issuer of a bond or money market security weakens, the value of the bond or money market security may fall. In extreme cases, the issuer may delay scheduled payments to investors, or may become unable to make its payments at all. The lower the credit quality of the debt, the greater the credit risk.

Currency risk Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly and unpredictably.

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

Derivatives risk Certain derivatives could behave unexpectedly or could expose the fund to losses that are significantly greater than the cost of the derivative.

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

OTC derivatives

Because OTC derivatives are in essence private agreements between a fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honour its obligations to a fund. If a counterparty ceases to offer a derivative that a fund had been planning on using, the fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

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

Exchange-traded derivatives

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

Distressed or defaulted bond risk Distressed (rated below CCC by Standard and Poor's or equivalent) or defaulted (rated below C by Standard and Poor's or equivalent) bonds are the result of their issuer's inability to meet its financial obligations. This will be the case for issuers experiencing financial stress, including potentially defaulting and filing for bankruptcy protection. These securities bear

a substantially higher degree of risks and are more difficult to price. An investor in such securities may lose its entire investment and may face difficulties to dispose of it. Because of the issuer's bankruptcy, reorganisation or liquidation process, these investments usually have to be held for an extended period of time with a high degree of uncertainty in the final level of recovery.

Emerging markets risk Emerging markets are less established than developed markets and therefore involve higher risks.

Reasons for this higher risk include:

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

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, South America and Eastern Europe, as well as countries that have successful economies but whose investor protections are questionable, such as Russia, Ukraine and China.

Examples of developed markets are those of Western Europe, the US, and Japan.

Equity risk In general, equities involve higher risks than bonds or money market instruments. Equities can lose value rapidly, and can remain at low prices indefinitely. Equities of rapidly growing companies can be highly sensitive to bad news, because much of their value is based on high expectations for the future. Equities of companies that appear to be priced below their true value may continue to be undervalued. If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

Frontier markets risk The securities markets of small nations that are at an earlier stage of economic and political development relative to more mature emerging markets typically have limited investability and liquidity.

Geographic concentration risk To the extent that a fund invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by any social, political, economic, environmental or market conditions within that area. This can mean higher volatility and risk of loss as compared to a fund that invests more broadly.

Hedging risk A fund's attempts to reduce or eliminate certain risks may not work as intended.

To the extent that a fund takes measures that are designed to offset specific risks (such as seeking to eliminate currency, interest or credit risks in the fund's portfolio), these measures may work imperfectly, may not be feasible at times, or may fail completely. 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.

High yield bond risk A bond or debt security rated below BBB- by Standard & Poor's or an equivalent rating (which may be an in-house rating), also named below investment grade, is generally subject to higher yields but to greater risks too.

The higher yield is offered to compensate for the reduced creditworthiness and the increased risk of default of the issuer to meet its payment obligations of income and principal. In some cases, the debt may be called by its issuer before maturity or it may be subject to the issuer's debt restructuring by which the fund will become the owner of another debt or a common stock with potentially partial or total loss of the invested capital and generated income. As a result of issuers being in bankruptcy, reorganisation or liquidation processes, a fund may hold distressed or defaulted bonds.

In addition, high yield bonds are usually more sensitive to market conditions and fluctuations. Their market is typically thinner and less active, creating a higher liquidity risk than for higher-rated bonds. This implies they may become hard to value or to sell at a desired price or an optimum time.

Interest rate risk Interest rates in the countries in which a fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds and higher credit quality bonds are usually more sensitive to interest rate changes.

Investment in Participatory Notes A fund may gain exposure to investments through Participatory Notes (P-notes), which are issued by banks, broker-dealers or other counterparties. P-notes may carry illiquid securities risk and may trade at prices that are below the value of their underlying securities. Owners of P-notes may lack some of the rights (such as voting rights) they would have if they owned the underlying securities directly. If the issuer of a P-note becomes unable or unwilling to honour its obligations to a fund, that fund will lose money, irrespective of the value of the underlying securities.

Issuer concentration risk To the extent that a fund invests a large portion of its assets in securities from a relatively small number of issuers, its performance will be more strongly affected by any business, industry, economic, financial or market conditions affecting those issuers. This can mean higher volatility and risk of loss as compared to a fund that invests more broadly.

Prepayment and extension risk With asset-backed securities (ABS) and mortgage-backed securities (MBS), or any other securities whose market prices typically reflect the assumption that the securities will be paid off before maturity, any unexpected behaviour in interest rates could hurt fund performance.

Receiving increasing prepayments when interest rates are falling causes the average maturity of the portfolio to shorten, reducing its potential for price gains. It also requires a fund to reinvest proceeds at lower interest rates, reducing the portfolio's total return and yield, and could result in a loss.

Mortgage-backed securities are also subject to extension risk. When interest rates are rising, a lack of refinancing opportunities will cause a fund's average maturity to lengthen due to a drop in expected prepayments of mortgage-backed securities and asset-backed securities. This would increase a fund's sensitivity to rising rates and its potential for price declines.

Real estate investments risk Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable.

Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management, and

other factors that may affect the market value or cash flow of the investment.

Sector concentration risk To the extent that a fund invests a large portion of its assets in a particular economic sector (or, for bond funds, a particular market segment), its performance will be more strongly affected by any business, industry, economic, financial or market conditions affecting that sector or segment of the fixed income market. This can mean higher volatility and risk of loss as compared to a fund that invests more broadly.

Security Liquidity risk Any security could become hard to value or to sell at a desired time and price. Additionally, certain securities may, by nature, be hard to value, or hard to sell at a reasonable price or in large volumes. This includes securities that are labelled as illiquid, such as Rule 144A securities, as well as stocks, bonds, and any other type of security that represents a small issue, trades infrequently, or is traded on markets that are comparatively small or that have long settlement times.

Small and mid-cap stock risk Stocks of small and mid-size companies can be more volatile than stocks 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 or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

Style risk Different investment styles typically go in and out of favour depending on market conditions and investor sentiment. At any given time, for instance, a growth-style portfolio may underperform a value-style portfolio, or vice-versa, and either may at any time underperform the market as a whole.

Risks applicable to funds that have a sustainable investment objective or that seek to promote environmental and/or social characteristics ('Sustainability Alignment Product Risk') Funds with a sustainable investment objective, or those that seek to promote environmental and/or social characteristics, are subject to distinct risks and considerations compared to conventional investment products. Funds with similar financial goals but without a sustainable investment objective or specific environmental and/or social characteristics may perform differently from funds with such objectives or characteristics. This may be due to differences in investment universe, security selection criteria, or additional constraints applied to achieve sustainability goals.

In addition, sustainability frameworks, methodologies, and related risks may change over time. The definitions of "sustainable investing" and "impact investing" may vary across countries and according to investors' beliefs and values. There is no guarantee that these definitions will be aligned with the definition given by the regulations applicable to the fund and by the investment manager.