GUIDANCE STATEMENT ON BROADLY DISTRIBUTED POOLED FUNDS

Adoption Date: 3/13/2017
Revised Effective Date: 1/1/2020
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Introduction

Composites\(^1\) are currently the foundation of the Global Investment Performance Standards (GIPS\(^\circ\)), but composites are not appropriate for all investment products. In particular, pooled funds do not fit well into a composite-centric framework. To address this and other concerns, GIPS 2020 is an initiative to make the GIPS standards more universally applicable across all categories of investment products, including pooled funds, and all types of managers. GIPS 2020 is expected to include guidance on the following three components:

1. strategy, where composites are appropriate;
2. product, where a specific product, such as a pooled fund, is being sold; and
3. proprietary, where an asset owner is managing only its own assets.

This Guidance Statement on Broadly Distributed Pooled Funds is a bridge between the 2010 edition of the GIPS standards and GIPS 2020. Because broadly distributed pooled funds do not fit easily into the current composite-oriented framework of the GIPS standards, more clarity is needed regarding the content and distribution of information to prospective pooled fund investors. Providing such clarity is the focus of this Guidance Statement.

Pooled Funds within the Scope of the Guidance Statement on Broadly Distributed Pooled Funds

The pooled funds that are the target of the Guidance Statement on Broadly Distributed Pooled Funds are publicly available pooled investment vehicles that meet the following three criteria:

1. The pooled fund is broadly distributed;
2. There is typically no or minimal contact between the firm marketing the pooled fund and prospective pooled fund investors; and
3. The firm has the ability to influence the pooled fund’s official documents or marketing materials.

Broad distribution refers to the fact that the pooled fund is publicly available to multiple investors. There is no minimum number of investors necessary for a pooled fund to qualify as broadly distributed. Examples of broadly distributed pooled funds include mutual funds, open-ended investment companies (OEICs), investment companies with variable capital (ICVCs), unit trusts, and sociétés d’investissement à capital variable (SICAVs). These types of funds may target either institutional or retail investors, or both. Many of these types of pooled funds are subject to local laws and regulations of the jurisdictions where such funds are offered or marketed, such as the Undertakings for Collective Investment in Transferable Securities (UCITS) regulations in the European Union, the Investment Company Act of 1940 and its rules and regulations administered by the US Securities and Exchange Commission (SEC), the Act on Investment Trusts and Investment Corporations in Japan, and the Mutual Fund Regulations, 1996 of the Securities and Exchange Board of India (SEBI), among others.

Keep in mind that this guidance applies to pooled funds for which the typical marketing practice involves no or minimal personal contact between the compliant firm managing and marketing the fund and the prospective pooled fund investor. That does not mean, however, that the pooled fund must be exclusively marketed in that manner in order for this guidance to be applicable. There may be instances in which a

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\(^1\)A composite is an aggregation of one or more portfolios managed according to a similar investment mandate, objective, or strategy.
pooled fund that meets the criteria specified by this Guidance Statement is presented to prospective
pooled fund investors in a one-on-one presentation and, in such scenarios, this Guidance Statement
would still apply. The typical practice for marketing the fund is the defining criterion, not the approach
used for a specific marketing opportunity. On the other hand, certain types of pooled funds, such as
hedge funds, real estate funds, and private equity funds, are complex investment vehicles with a typical
marketing practice involving direct discussions between the firm marketing the fund and the prospective
investor. In such instances, when the typical marketing practice involves contact between the firm and the
prospective investor, the requirements of this Guidance Statement would not apply. Firms must refer to
the Guidance Statements on Alternative Investment Strategies and Structures, Private Equity, and Real
Estate for guidance on how to apply the GIPS standards to these types of investments. For clarity, funds
are not excluded from this Guidance Statement on Broadly Distributed Pooled Funds based purely on the
type of assets in which they invest or their perceived level of complexity; rather, they would be excluded if
the typical marketing practice involves direct contact with investors, regardless of asset class.

This Guidance Statement is not meant to apply to situations in which a firm is marketing a strategy with a
composite that includes a pooled fund, even if the composite contains only the one pooled fund. It applies
to situations in which a firm is marketing a specific investment vehicle—that is, a broadly distributed
pooled fund—to more than one prospective pooled fund investor.

Firms within the Scope of the Guidance Statement on Broadly Distributed Pooled Funds

Often, many parties are involved in the management, marketing, and distribution of a pooled fund, and
this Guidance Statement does not apply to all such parties. Some of the ways entities may be involved
with a pooled fund include having responsibility for

• both managing and marketing a pooled fund, sometimes with the involvement of third parties to help
  with marketing and distribution;
• managing the fund in a sub-advisory capacity, but not for marketing and distributing the fund; and
• marketing and distributing the fund, but not for managing the fund.

This Guidance Statement applies only to firms that manage one or more pooled funds and have the
ability to influence official pooled fund documents mandated by regulators or fund-specific marketing
material. A firm that manages pooled funds but does not have the ability to influence official pooled fund
documents or fund-specific marketing material is not required to comply with this Guidance Statement.
For example, a firm hired by another firm to sub-advising a pooled fund is typically not involved in the
marketing of the fund and, as a result, would not be responsible for the creation or distribution of
marketing material for the fund. In such a situation, the sub-adviser would treat the sub-advised pooled
fund portfolio like any other discretionary portfolio rather than following this pooled fund guidance.

Note that a firm is not responsible for pooled fund marketing material created by a third party. The GIPS
standards do not impose any specific, additional requirements for a firm to monitor the use of its
performance information once that information has been provided to a third party. As in all situations in
which a firm’s performance information is distributed by a third party, however, the firm should take
appropriate measures to ensure that its performance is not misrepresented or used in a misleading
fashion.
Purpose of the Guidance Statement on Broadly Distributed Pooled Funds

There are four general reasons for the creation of this Guidance Statement on Broadly Distributed Pooled Funds:

1. Provide clarity to fund managers on what the GIPS Standards require and recommend with respect to pooled funds;
2. Establish a minimum level of information to be provided to prospective pooled fund investors, given the differences in local regulations regarding pooled funds;
3. Emphasize the priority of local laws and regulations; and
4. Provide guidance as to best practices regarding pooled funds, especially for regions that lack robust local regulations regarding pooled funds.

The GIPS standards do not explicitly address the treatment of broadly distributed pooled funds. Firms often include pooled fund assets in total firm assets, yet few provide compliant presentations\(^2\) to prospective pooled fund investors. At the same time, composite performance that includes multiple portfolios in addition to the pooled fund may not be appropriate to present to prospective pooled fund investors. Many firms are unclear about their responsibilities regarding pooled funds, which has led to inconsistent practices. In addition, certain markets are dominated by broadly distributed pooled funds and, in order to fill a currently unmet need in these markets, it is important that guidance specific to broadly distributed pooled funds be developed.

Provision 0.A.9 of the GIPS standards requires that firms make every reasonable effort to provide a compliant presentation to all prospective clients. A prospective client is defined as any person or entity that has expressed interest in one of the firm’s composite strategies and qualifies to invest in the composite strategy. A key question is whether prospective pooled fund investors must receive a compliant presentation.

Guidance specific to pooled funds must take into account some notable hurdles that firms managing broadly distributed pooled funds face in complying with the GIPS standards:

1. Often, local laws and regulations govern what information can or cannot, and should or should not, be included in materials prepared for prospective pooled fund investors. Such material includes official offering documents (e.g., Key Investor Information Document, or KIID; mutual fund prospectus; and Product Disclosure Statement) that must be given to prospective pooled fund investors, as well as fund-specific marketing material. Some information required to be presented in a compliant presentation may be prohibited in some or all of the materials prepared for prospective pooled fund investors.

2. Local laws and regulations typically specify a methodology for the calculation and presentation of pooled fund performance based on net asset value (NAV), where the NAV represents the fund’s per-share market value. Although a NAV-based method would generally satisfy the performance calculation requirements of the GIPS standards, the required methodology might produce results that have been reduced by fees and expenses beyond the minimum required to be deducted from net-of-fees performance under the GIPS standards. In addition, many firms prefer to present gross-of-fees rather than net-of-fees returns in a compliant presentation. Thus, the returns in a compliant presentation could differ from the returns in the official pooled fund document, such as a KIID or prospectus, even if the pooled fund is the sole constituent of the composite. Even with appropriate disclosures, the differences in returns from one document to another are likely to confuse prospective pooled fund investors.

\(^2\)A compliant presentation is a presentation for a composite that contains all the information required by the GIPS standards and may also include additional information or supplemental information.
The pooled fund issues previously outlined add complexity in following the GIPS standards that deal with the materials distributed to prospective pooled fund investors. These issues, however, do not affect the firm’s ability to comply with other requirements of the GIPS standards, such as the need to have all discretionary portfolios in a composite, the ability to produce a compliant presentation for all composites, and so forth. This Guidance Statement was created to provide clarity regarding the distribution of pooled fund materials for GIPS-compliant firms whose firm definition includes broadly distributed pooled funds. Clarity is especially needed to address what firms managing pooled funds must do to comply with Provision 0.A.9 of the GIPS standards.

This Guidance Statement benefits prospective pooled fund investors and firms, as well as local regulators, in a number of ways:

**Investor Interests**

- **Differences in the robustness of pooled fund regulation in various jurisdictions.** Although many countries have robust laws and regulations governing pooled funds, some countries do not. This Guidance Statement will help establish the required and recommended information to be provided to prospective pooled fund investors, unless such information is prohibited by local laws or regulations.

- **Investor confidence.** Investors will likely take it for granted that a firm that manages a pooled fund adheres to local regulatory requirements. Knowing that the firm also adheres to global standards may enhance investor confidence.

- **Comparability of pooled funds across various jurisdictions.** Regional initiatives, such as the Association of Southeast Asian Nations (ASEAN) collective investment scheme framework for cross-border offerings and the Asia Region Funds Passport (ARFP), are expected to increase the flow of investment products among participating countries. Investors’ ability to compare and evaluate pooled funds from a number of countries will become more important as barriers to investing across borders decrease. Knowing that a firm adheres to the GIPS standards provides an additional point of comparison for investors when comparing various pooled funds with the same investment strategy.

- **Consistency of information across various fund families.** This benefit may help investors in comparing and evaluating funds from different fund families, which is increasingly important given the growing investments in retirement plans that use pooled funds.

**Firm Interests**

- **This Guidance Statement provides clarity on the responsibilities of a compliant firm in fulfilling the requirements for distributing information to prospective pooled fund investors.**

- **Compliance with the GIPS standards may help firms compete in situations where investors and their financial advisers or consultants are comparing funds with the same investment strategy but are governed by different local regulations.** For a firm located in a country where most, if not all, of the information required by this Guidance Statement is already mandated by local regulations, there is little or no additional information that it will need to prepare and present in its existing official pooled fund documents and fund-specific marketing material. For a firm located in a country where many of the required items are not mandated, however, including the required and recommended items may enable the firm to compete more effectively by allowing an easier comparison of its pooled fund(s) with the pooled funds of its peers globally.

- **This Guidance Statement, which includes both requirements and recommendations, can help firms follow best practices relating to the marketing of broadly distributed pooled funds.**

**Regulatory Perspective**

Regulators in many countries have indicated a desire for GIPS guidance specifically focused on pooled funds. Such guidance is especially relevant for countries with a largely retail investment market and few or no pooled fund regulations. In these countries, GIPS guidance for pooled funds can illustrate best practices for use in developing pooled fund regulations.
General Approach of the Guidance Statement on Broadly Distributed Pooled Funds

Given the complexity of local laws and regulations, it was determined that a minimalist approach would be taken in this Guidance Statement in order to

- encourage consistency and minimize conflicts between the GIPS standards and local laws and regulations; and
- consider the practicalities of a market that has many large global firms with hundreds of funds and fund share classes in different jurisdictions.

Defined Terms

Pooled Fund Net Return
A “pooled fund net return” is a time-weighted return that is net of all fees charged against the fund, including transaction costs, investment management fees, custody fees, legal expenses, and all other administrative and other costs. Sales charges and loads, which are typically charged on the front end or back end, should not be included in the calculation of the pooled fund net return, because regulators in many countries do not allow the inclusion of such charges. If sales charges and loads have been deducted during the calculation of the pooled fund net return, the treatment of such charges should be disclosed. As in all cases, if local laws and regulations conflict with this Guidance Statement regarding the calculation of returns, local laws and regulations must be followed.

Note that a pooled fund net return is likely to differ from the net return typically shown in a GIPS-compliant presentation. To calculate composite net returns, only investment management fees are required to be deducted from the gross return to arrive at the net return. Other fees and expenses may also be deducted, but doing so is not required.

Official Pooled Fund Document
The term “official pooled fund document” is used to designate the specific official offering document or documents required by local regulators to be presented to prospective pooled fund investors prior to or concurrent with their initial purchase of a pooled fund. In most if not all cases, such documents need to be filed with the regulatory body of the country or region where the pooled fund is being offered. Such documents may be focused on one fund or on multiple funds. Documents created primarily for current shareholders, such as an annual or semi-annual report, are not included in this definition.

Prospective Pooled Fund Investor
A “prospective pooled fund investor”, for the purpose of this Guidance Statement, is defined as any investor who is interested in investing, and eligible to invest, in the type of broadly distributed pooled funds targeted by this Guidance Statement.

Fund-Specific Marketing Material
The term “fund-specific marketing material” is used to designate material, in electronic or paper format, that is intended for prospective pooled fund investors who are considering investing in that specific pooled fund. Examples include fund fact sheets, fund profile sheets, and so on.

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3Please refer to the requirements and recommendations applicable to portfolio-level return calculations in Section 1 (“Input Data”) and Section 2 (“Calculation Methodology”) of the 2010 edition of the GIPS standards.

4At the time of purchase or subscription to the pooled fund.

5At the time of sale or redemption of the pooled fund.
Required Items
The following items are required to be included in at least one document that is intended to reach prospective pooled fund investors prior to or concurrent with their purchase of the fund. That document may be either (1) an official pooled fund document required by local regulators to be given to prospective pooled fund investors or (2) fund-specific marketing material prepared by the firm for prospective pooled fund investors. The required items may be shown on the same page or on different pages throughout the official pooled fund document and/or in the fund-specific marketing material. Note that many of the required items are also required by local regulators and are therefore already included in the official pooled fund document and/or fund-specific marketing material. In such cases, a firm may be required to add little or no new information to its official pooled fund document and/or fund-specific marketing material.

As always, the firm must comply with all applicable laws and regulations. If local laws or regulations prohibit a required item from being included in an official pooled fund document or in fund-specific marketing material, that item must be excluded. If a firm determines that it cannot satisfy all the requirements of this Guidance Statement because of regulatory conflicts, this determination must be documented in the firm’s policies and procedures.

The required items include the following:
1. The description of the pooled fund’s investment mandate, objective, or strategy. This description need not be lengthy but must convey the fund’s key objectives to the prospective pooled fund investor.
2. An indication of the pooled fund’s risk, as either a qualitative narrative or a quantitative metric, as mandated by the local regulators. If the local regulators do not require or prohibit a specific risk measure, the firm may choose an appropriate risk measure or qualitative disclosure to present. It is important that the firm choose a risk measure that a prospective pooled fund investor is likely to understand.
3. Pooled fund returns calculated according to the methodology and for the time periods required by local laws or regulations. If local laws or regulations do not mandate the methodology for calculating pooled fund returns, a pooled fund net return must be calculated and presented. If specific time periods are not mandated by local laws or regulations, returns must be presented consistent with one of the following options:
   • One-, three-, and five-year annualized returns through the most recent period, with the period-end date clearly identified. If the pooled fund has been in existence for less than five years, firms must also present the annualized returns since the pooled fund inception date. For example, if the pooled fund has been in existence for four years, firms must present one-, three-, and four-year annualized returns through the most recent period. Returns for periods of less than one year must not be annualized.
   • Period-to-date returns in addition to one-, three-, and five-year annualized returns through the most recent period, with the period-end date clearly identified. If the pooled fund has been in existence for less than five years, firms must also present the annualized returns since the pooled fund inception date. For example, if the pooled fund has been in existence for four years, firms must present one-, three-, and four-year annualized returns in addition to the period-to-date return. Returns for periods of less than one year must not be annualized.

Please refer to the Appendix for examples of how the required items may be shown in official pooled fund documents or fund-specific marketing material.

“Period-to-date return” is measured from the most recent annual period end to the current performance measurement period’s end date. For example, if the most recent annual period end date is 31 December 2016 and the current performance measurement period’s end date is 31 March 2017, the period-to-date return is the three-month return measured from 1 January 2017 to 31 March 2017.
• Period-to-date returns in addition to five years of annual period returns (or for each annual period since the pooled fund inception date if the pooled fund has been in existence for less than five years), with the annual period-end date clearly identified.

Additional time periods may also be shown.

If the official pooled fund document and the fund-specific marketing material are created for a specific pooled fund share class, returns must reflect the fees and expenses of that specific share class. If the official pooled fund document and the fund-specific marketing material are not created for a specific pooled fund share class, then fees and expenses reflected in the returns must be based on the share class with the maximum fee, or returns for all fund share classes must be presented. If the share class with the maximum fee is not a share class that is available for general distribution, then the firm must present the generally available share class with the highest fee.

4. The currency used to express performance. It must be clear to prospective pooled fund investors what currency is used to calculate fund returns. This information may be conveyed in words or by using the currency symbol. In some situations, local regulatory authorities assume that funds subject to local regulations are expressing performance in the local currency. In such cases, it is necessary to address the currency used to express performance only when it deviates from what is otherwise implicitly assumed.

**Recommended Items**

1. Benchmark total returns and the benchmark description.

   It is strongly recommended that appropriate benchmark total returns be included in the information provided to prospective pooled fund investors. If presented, the benchmark total returns must be for the same time periods used for pooled fund returns.

2. Sales Charges and Loads

   a. If a pooled fund has sales charges and loads, they should be disclosed in the fund’s official pooled fund document and fund-specific marketing material.
   b. The treatment of sales charges or loads (that is, whether they have been deducted from fund returns) should be disclosed.

3. GIPS Pooled Fund Claim of Compliance

   It is recommended that the following pooled fund claim of compliance be used in the official pooled fund document and in fund-specific marketing material.

   "XXX, the firm managing this pooled fund, claims compliance with the Global Investment Performance Standards (GIPS®). For more information about the GIPS standards, please visit www.gipsstandards.org."

   Note that this claim of compliance differs from both the claim of compliance required to be disclosed in compliant presentations and the claim of compliance specified in the GIPS Advertising Guidelines. Although inclusion of this claim of compliance in pooled fund materials is viewed as best practice, it is not required.

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8A benchmark description is general information regarding the investments, structure, and/or characteristics of the benchmark. The description must include the key features of the benchmark or the name of the benchmark for a readily recognized index or other point of reference.
If the official name of the firm that manages the pooled fund differs from the name of the firm that claims compliance with the GIPS standards, or if the firm as defined for GIPS compliance differs from the legal entity that manages the pooled fund, the claim of compliance, if presented, should also include the firm definition.

Offer and Provision of a Compliant Presentation
Owing to the hurdles that firms managing broadly distributed pooled funds face in complying with the GIPS standards as highlighted in the “Purpose of the Guidance Statement on Broadly Distributed Pooled Funds” section, the offer of a compliant presentation in an official pooled fund document and the fund-specific marketing material is neither required nor recommended. Firms are not required to provide a compliant presentation to prospective pooled fund investors. They have met their obligation under Provision 0.A.9 if all the required items previously indicated are included in an official pooled fund document that is required by local regulators to be presented to prospective pooled fund investors or in fund-specific marketing material that is intended for prospective pooled fund investors. Upon request, however, firms must provide the compliant presentation for the composite in which the fund is included to a prospective pooled fund investor.

Safe Harbor Provision
Certain legal and/or regulatory regimes may require firms to provide prospective pooled fund investors with materials that include the four items required by this Guidance Statement. In such cases, CFA Institute will review the legal and/or regulatory requirements and determine if they qualify for inclusion under the safe harbor provision. CFA Institute will review the legal and/or regulatory requirements and determine whether they qualify for inclusion under the safe harbor provision. If so, firms that fall under these jurisdictions will be considered to have met the requirements of Provision 0.A.9 (regarding the provision of a compliant presentation) and this Guidance Statement. A firm may request a review of its local laws and regulations to determine if it may use the safe harbor provision. Requests should be directed to gips@cfainstitute.org.

Other Information
Information in addition to the required and recommended items is likely to be mandated by local laws or regulations. Firms are encouraged to give as full a picture of the pooled fund as possible, going beyond the required items listed in this Guidance Statement. In all cases, firms must adhere to the principles of the GIPS standards—fair representation and full disclosure—when preparing materials for a pooled fund.

Effective Date
Firms are required to apply this guidance beginning 1 January 2020. Firms are encouraged, but not required, to apply this guidance prior to the effective date.
APPENDIX

The following examples, which are current as of the effective date of this Guidance Statement, demonstrate how the required items may be presented in the official pooled fund document and in fund-specific marketing material. Because the inclusion of a benchmark is strongly recommended, although not required, the Appendix includes benchmarks in its examples. Please note that the required items may be shown on the same page or on different pages throughout a particular official pooled fund document or fund-specific marketing material as long as the document includes all the required items.

Example 1: Official Pooled Fund Document—Key Investor Information Document (KIID)

[Image of a Key Investor Information Document (KIID) example]

- **World Technology Fund**
  - A sub-fund of [Blank]
  - Class A2 EUR
  - ISIN: [Blank]
  - Management Company: [Blank] S.A.

- **Objectives and Investment Policy**
  - The Fund aims to maximize the return on your investment through a combination of capital growth and income on the Fund’s assets.
  - The Fund invests globally at least 70% of its total assets in the equity securities (e.g., shares) of companies the main business of which is in the technology sector.
  - The investment adviser has discretion to select the Fund’s investments and in doing so may take into consideration the MSCI AC World Information Technology Index.
  - Recommendation: This Fund may not be appropriate for short-term investment.

- **Risk and Reward Profile**
  - Lower risk
    - Typically lower rewards
  - Higher risk
    - Typically higher rewards

  - Your shares will be non-distributing (i.e., dividend income will be included in their value).
  - The Fund’s base currency is US Dollar. Shares for this ISIN are bought and sold in Euro. The Fund’s and share class’ base currency might be in a different currency.
  - You can buy and sell your shares daily. The minimum initial investment for this share class is US$5,000 or currency equivalent.

- **Risk indicator**
  - Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.
  - The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.
  - Particular risks not adequately captured by the risk indicator include:
    - Counterparty Risk: The insolvency of any institution providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

For more information on risks, please see the Fund’s prospectus, which is available at [Blank].
Charges
The charges are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures. In some cases you might pay less. Please refer to your financial advisor or the distributor for the actual entry and exit charges.

* Subject to a charge of up to 2% paid into the Fund where the Manager suspects excessive trading by an investor.

The ongoing charges figure is based on expenses for the twelve month period ending 30 September 2015. This figure may vary from year to year. It excludes portfolio trade-related costs, except costs paid to the custodian and any entry/exit charge paid to an underlying collective investment scheme if any.

** To the extent the Fund undertakes securities lending to reduce costs, the Fund will receive 62.3% of the associated revenue generated and the remaining 37.7% will be received by the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Fund, this has been excluded from the ongoing charges.

Past Performance
Past performance is not a guide to future performance.

The chart shows the Fund’s annual performance (in EUR) for each full calendar year over the period displayed in the chart. It is expressed as a percentage change of the Fund’s net asset value at each year-end. The Fund was launched in 1995. The share class was launched in 1995.

Performance is shown after deduction of ongoing charges. Any entry/exit charges are excluded from the calculation.

| Benchmark: MSCI World All Country Information Technology net index (in EUR), prior to 1 January 2010 the Fund used a different benchmark which is reflected in the benchmark data. |

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>18.4</td>
<td>20.8</td>
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<tr>
<td>2006</td>
<td>-8.0</td>
<td>-2.2</td>
</tr>
<tr>
<td>2007</td>
<td>-9.2</td>
<td>3.8</td>
</tr>
<tr>
<td>2008</td>
<td>-41.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>2009</td>
<td>55.2</td>
<td>47.6</td>
</tr>
<tr>
<td>2010</td>
<td>23.2</td>
<td>19.1</td>
</tr>
<tr>
<td>2011</td>
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<td>-1.2</td>
</tr>
<tr>
<td>2012</td>
<td>9.0</td>
<td>13.5</td>
</tr>
<tr>
<td>2013</td>
<td>23.1</td>
<td>21.1</td>
</tr>
<tr>
<td>2014</td>
<td>22.8</td>
<td>33.8</td>
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</tbody>
</table>

For more information on charges, please see the Fund’s prospectus, which is available at...

<table>
<thead>
<tr>
<th>Charges taken from the Fund over each year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Charges</td>
</tr>
</tbody>
</table>

Charges taken from the Fund under certain conditions

Performance Fee
None

Practical Information
- The custodian of the Fund is Limited, Luxembourg Branch.
- Further information about the Fund can be obtained from the prospectus and the latest annual and half-yearly reports of the Fund. These documents are available free of charge in English and certain other languages. These can be found, along with other Information, such as share prices, on the international investor servicing team.
- Investors should note that the tax legislation that applies to the Fund may have an impact on the personal tax position of your investment in the Fund.
- The Fund is a sub-fund of an umbrella structure comprising different sub-funds. This document is specific to the Fund and share class stated at the beginning of this document. However, the prospectus, annual and half-yearly reports are prepared for the umbrella.
- May be bought solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund’s prospectus.
- Further information about other shares classes can be found in the prospectus.
- Under Luxembourg law, has segregated liability between its sub-funds (i.e. the Fund’s assets will not be used to discharge the liabilities of other sub-funds within). In addition, the Fund’s assets are held separately from the assets of other sub-funds.
- Investors may switch their shares in the Fund for shares in another sub-fund within subject to meeting certain conditions as set out in the prospectus.

Currency used to express performance
Benchmark

1. Name and/or description
2. Total returns for the same periods as the pooled fund
Example 2A: Official Pooled Fund Document—Summary Prospectus

STOCK FUND

INVESTMENT OBJECTIVES
The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

FEES AND EXPENSES
This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

<table>
<thead>
<tr>
<th>SHAREHOLDER FEES (fees paid directly from your investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales charge (load) imposed on purchases</td>
</tr>
<tr>
<td>Deferred sales charge (load)</td>
</tr>
<tr>
<td>Sales charge (load) imposed on reinvested distributions</td>
</tr>
<tr>
<td>Redemption fee</td>
</tr>
<tr>
<td>Exchange fee</td>
</tr>
</tbody>
</table>

ANNUAL FUND OPERATING EXPENSES (expenses that you pay each year as a percentage of the value of your investment)

| Management fees | 50% |
| Distribution and/or service (12b-1) fees | None |
| Other expenses (transfer agent, custodian, accounting, legal, etc.) | 0.2% |
| Total Annual Fund Operating Expenses | 0.52% |

Example: This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that:
- You invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those time periods.
- Your investment has a 5% return each year; and
- The Fund’s operating expenses remain the same.

Although your actual costs may be higher or lower, under these assumptions your costs would be:

<table>
<thead>
<tr>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$53</td>
<td>$167</td>
<td>$291</td>
<td>$653</td>
</tr>
</tbody>
</table>

PORTFOLIO TURNOVER
The Fund incurs transaction costs, such as commissions, when it buys and sells securities (or "turns over" the portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These transaction costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 17% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES
The Fund invests primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities, including common stocks, depositary receipts evidencing ownership of common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks. The Fund may invest up to 20% of its net assets in U.S. dollar-denominated securities of non-U.S. issuers traded in the United States that are not in the S&P 500 Index. The Fund may enter into forward currency contracts or currency futures contracts to hedge foreign currency exposure.

The Fund typically invests in medium-to-large well-established companies based on standards of the applicable market. In selecting investments, the Fund typically invests in companies that, in the Manager's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities. The Fund also considers the economic and political stability of the country where the issuer is located and the protections provided to shareholders.

PRINCIPAL RISKS OF INVESTING
You could lose money by investing in the Fund, and the Fund could underperform other investments. You should expect the Fund’s share price and total return to fluctuate within a wide range. The Fund’s performance could be hurt by:

- Manager risk: Investment management may not perform as anticipated, and the Fund may not achieve its stated investment objective.
- Equity risk: Equity securities generally have greater price volatility than debt securities. Equity securities may decline in value because of changes in the actual or perceived financial condition of the issuers or other events affecting their issuers.
- Market risk: Prices may increase or decrease, sometimes suddenly and unpredictably, due to general market conditions.
- Liquidity risk: The Fund may be unable to purchase or sell securities in a timely manner or at desired prices or achieve its desired weighting in a security.
- Derivatives risk: Investing with derivatives, such as forward currency contracts and equity index futures, involves risks additional to those associated with investing directly in securities. The value of a derivative may not correlate to the value of the underlying instrument to the extent expected. Derivative transactions may be volatile, and can create leverage, which could cause the Fund to lose more than the amount of assets initially contributed to the transaction, if any. The Fund may not be able to close a derivatives position at an advantageous time or price.

Description of the pooled fund's investment objective

An indication of the pooled fund's risk
For over-the-counter derivatives transactions, the counterparty may be unable or unwilling to make required payments and deliveries, especially during times of financial market distress.

- **Non-U.S. investment risk.** Securities of non-U.S. issuers (including ADRs) may be less liquid, more volatile, and harder to value than U.S. securities. Non-U.S. issuers may be subject to political, economic, or market instability, or unfavorable government action in their local jurisdictions. There may be less information publicly available about non-U.S. issuers, and their securities and those issuers may be subject to lower levels of government regulation and oversight. These risks may be higher when investing in emerging market issuers. Certain of these risks may also apply to securities of U.S. issuers with significant non-U.S. operations.

- **Non-U.S. currency risk.** Foreign currencies may decline relative to the U.S. dollar, which reduces the unadjusted value of securities denominated in or otherwise exposed to those currencies. May not hedge or may not be successful in hedging the Fund's currency exposure.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### PERFORMANCE INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows changes in the Fund's returns from year to year. The table shows how the Fund's average annual total returns for one, five, and ten years compare to those of a broad measure of market performance.

The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future. Visit the Fund's website at _______ or call _______ for current performance figures.

### ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED 12/31/2014

<table>
<thead>
<tr>
<th>Stock Fund</th>
<th>(In USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return before taxes</td>
<td>1 Year</td>
</tr>
<tr>
<td>10.43%</td>
<td>15.56%</td>
</tr>
<tr>
<td>Return after taxes on distributions</td>
<td>9.63</td>
</tr>
<tr>
<td>Return after taxes on distributions and sale of Fund shares</td>
<td>6.51</td>
</tr>
<tr>
<td>S&amp;P 500 Index (reflects no deduction for expenses or taxes)</td>
<td>13.69</td>
</tr>
</tbody>
</table>

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, but do not reflect the impact of state or local taxes. Actual after-tax returns may differ depending on your individual circumstances. After-tax return figures do not apply to you if you hold your Fund shares through a tax-deferred arrangement such as a 401(k) plan or an individual retirement account.

### An indication of the pooled fund's risk

(Continued from previous page)

- **Benchmark**

1. **Name and/or description**
2. **Total returns for the same periods as the pooled fund**

### Pooled Fund Returns

- **Currency used to express performance**
Example 2B: Fund-Specific Marketing Material—Fund Fact Sheet of the Same Equity Fund as in Example 2A

<table>
<thead>
<tr>
<th>Objectives</th>
<th>The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>The Fund invests primarily in a diversified portfolio of equity securities. In selecting investments, the Fund invests in companies that, in our opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management, are weighed against valuation in selecting individual securities.</td>
</tr>
<tr>
<td>Risks</td>
<td>The Fund is subject to market risk, meaning holdings in the Fund may decline in value for extended periods due to the financial prospects of individual companies or due to general market and economic conditions. Please read the prospectus for specific details regarding the Fund's risk profile.</td>
</tr>
</tbody>
</table>

**GENERAL INFORMATION**

- Net Asset Value Per Share: $180.47
- Total Net Assets (Billions): $59.9
- Expense Ratio: 0.52%
- Portfolio Turnover Rate (1/1/15 to 6/30/15, unannualized): 7%
- 30-Day SEC Yield*: 1.30%
- Fund Inception: 1965
- No sales charges or distribution fees

**Investment Manager**: Managed by the Investment Policy Committee, whose nine members' average tenure at the Fund is 27 years.

**PORTFOLIO CHARACTERISTICS**

<table>
<thead>
<tr>
<th>Fund</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Equity Securities</td>
<td>64</td>
</tr>
<tr>
<td>Market Capitalization (Billions)</td>
<td>$114</td>
</tr>
<tr>
<td>Weighted Average Market Capitalization (Billions)</td>
<td>$114</td>
</tr>
<tr>
<td>Price-to-Earnings Ratio*</td>
<td>14.9x</td>
</tr>
<tr>
<td>Foreign Securities not in the S&amp;P 500*</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

**ASSET ALLOCATION**

- Equity Securities: 99.3%
- Net Cash: 0.7%

**SECTOR DIVERSIFICATION (%)**

<table>
<thead>
<tr>
<th>Fund</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials</td>
<td>25.3</td>
</tr>
<tr>
<td>Information Technology</td>
<td>16.5</td>
</tr>
<tr>
<td>Health Care</td>
<td>22.3</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>19.7</td>
</tr>
<tr>
<td>Energy</td>
<td>17.5</td>
</tr>
<tr>
<td>Industrials</td>
<td>15.3</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>14.1</td>
</tr>
<tr>
<td>Materials</td>
<td>1.0</td>
</tr>
<tr>
<td>Telecommunication Services</td>
<td>1.0</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.3</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.8</td>
</tr>
</tbody>
</table>

---

*30-Day SEC Yield: annualized total net investment income per share for the 30-day period ended on the last day of the month.

* Price-to-earnings (P/E) ratios are calculated using 12-month forward earnings estimates from third-party sources.

* Foreign securities are U.S. dollar denominated.

* The Fund’s portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation to buy, sell, or hold any particular security and is not indicative of current or future trading activity.
### Average Annual Total Return

<table>
<thead>
<tr>
<th>Period</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>20 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Fund</td>
<td>4.55%</td>
<td>20.43%</td>
<td>17.80%</td>
<td>7.20%</td>
<td>11.00%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>7.43%</td>
<td>17.31%</td>
<td>17.35%</td>
<td>7.00%</td>
<td>8.91%</td>
</tr>
</tbody>
</table>

Returns represent past performance and do not guarantee future results. Investment returns and share price will fluctuate with market conditions, and investors may have a gain or a loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Performance is for current month-end performance figures.

<table>
<thead>
<tr>
<th>For periods ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td></td>
</tr>
</tbody>
</table>

The Fund had a total return of 2.6% for the second quarter of 2015, compared to 0.3% for the S&P 500. Index. For the six months ended June 30, 2015, the fund had a total return of 1.4%, compared to 1.2% for the S&P 500. At quarter end, the Fund had net assets of $59.9 billion with net cash of 0.7%.

### Market Commentary

During the second quarter, the S&P 500 rose to a record high in May before retreating to end the quarter up slightly. After moderating in the first quarter, U.S. economic activity expanded in recent months: labor market conditions improved, household spending grew modestly, and the housing sector reached multi-year highs in existing home sales and building permits. However, these positive developments were tempered by concerns about Greece’s sovereign debt crisis and potential exit from the Eurozone. The escalating situation in Greece could continue to create market volatility.

Indicative of a stronger U.S. economy, longer-term U.S. Treasury rates rose substantially in the second quarter, the 10-year U.S. Treasury yield increased from 1.9% to 2.4%. Despite the rise, interest rates remained low in the United States and around the world compared to their historical averages. The U.S. Federal Reserve (Fed) reaffirmed its target range for the federal funds rate and its intention to raise rates slowly. Many investors now expect the Fed to begin increasing rates in the second half of 2015.

Despite trading above their long-term average, U.S. equity market valuations remain reasonable in our opinion. The S&P 500 traded at 17.7 times forward estimated earnings with a 2.1% dividend yield at quarter end. Given higher starting valuations, we continue to have a more tempered outlook for long-term equity returns. Corporate balance sheets and cash flows remain strong. Over our three- to five-year investment horizon, we continue to believe the Fund’s portfolio is well positioned to benefit from global growth opportunities and a normalization of interest rates. Acknowledging that markets can be volatile in the short term, we encourage shareholders to remain focused on the long term.

### Second Quarter Performance Review

The Fund outperformed the S&P 500 by 2.3 percentage points for the quarter.

### Key Contributors to Relative Results

- The Fund’s average overweight position (25% versus 16%) and holdings in the Financials sector (up 8% compared to up 2% for the S&P 500 sector) contributed significantly to results. Capital One (up 12%), Goldman Sachs (up 11%), and Bank of America (up 11%) performed well.
- The Fund’s average overweight position (11% versus 4%) and holdings in the Media industry (up 7% compared to up 5% for the S&P 500 industry) helped returns. Time Warner Cable (up 19%) was particularly strong.
- Additional contributors included Celanese (up 29%), Cigna (up 25%), and Microsoft (up 9%).

### Key Detractors from Relative Results

- No sector detracted notably during the quarter. However, certain holdings were weak, including ADT Corp. (down 19%), Wal-Mart (down 13%), Corning (down 13%), NetApp (down 11%), and TE Connectivity (down 10%).

### Year-to-Date Performance Review

The Fund outperformed the S&P 500 by 0.1 percentage points year to date.

### Key Contributors to Relative Results

- Returns from holdings in the Financials sector (up 3% compared to flat for the S&P 500 sector) contributed to results. Charles Schwab (up 9%) and Capital One (up 8%) were particularly strong.
- The Fund’s average overweight position (18% versus 15%) and holdings in the Health Care sector (up 12% compared to up 10% for the S&P 500 sector) aided performance. Key contributors included Cigna (up 57%), UnitedHealth Group (up 24%), and Sanoft (up 11%).
- The Fund’s underweight position in the Utilities sector (no holdings versus average 3% for the S&P 500 sector), the weakest sector of the market (down 11%), helped results.
- Additional contributors included Celanese (up 21%) and Time Warner Cable (up 19%).

### Key Detractors from Relative Results

- The Fund’s average overweight position (23% versus 20%) and holdings in the Information Technology sector (down 6% compared to up 1% for the S&P 500 sector) hurt returns. Hewlett-Packard (down 24%), NetApp (down 23%), and EMC (down 10%) performed poorly.
- Returns from holdings in the Consumer Discretionary sector (up 3% compared to up 7% for the S&P 500 sector) detracted from results. Twenty-First Century Fox (down 15%) was particularly weak.
- Additional detractors included National Oilwell Varco (down 25%), Wal-Mart (down 16%), and Apache (down 7%).

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**S&P 500®** is a trademark of McGraw Hill Financial.
Example 3: Official Pooled Fund Document—Product Key Facts

**PRODUCT KEY FACTS**

Issuer: [Issuer's name and logo]

This is a Mainland fund authorized for public offering in Hong Kong pursuant to Mainland-Hong Kong Mutual Recognition of Funds arrangement.

This statement provides you with key information about this product. This statement is a part of the offering document. You should not invest in this product based on this statement alone.

**Quick facts**

<table>
<thead>
<tr>
<th>Fund Manager:</th>
<th>(●)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Include delegation (if any): specify name and location of delegate and whether delegation is internal or external]</td>
<td>(●)</td>
</tr>
<tr>
<td>Custodian:</td>
<td>(●)</td>
</tr>
<tr>
<td>Ongoing charges over a year¹: Class X</td>
<td>(●) %</td>
</tr>
<tr>
<td>Class Y</td>
<td>(●) %</td>
</tr>
<tr>
<td>Underlying index:</td>
<td>(●)</td>
</tr>
<tr>
<td>[Estimated annual tracking difference or (Tracking difference of the last calendar year):</td>
<td>(●)</td>
</tr>
<tr>
<td>Dividend policy:</td>
<td>(●)</td>
</tr>
<tr>
<td>Financial year end of this fund:</td>
<td>(●)</td>
</tr>
<tr>
<td>Min. investment:</td>
<td>$ (●) initial, $ (●) additional</td>
</tr>
<tr>
<td>Dealing frequency</td>
<td>(●)</td>
</tr>
<tr>
<td>Base currency:</td>
<td>(●)</td>
</tr>
</tbody>
</table>

¹ The ongoing charges figure is based on expenses for the year ended (date). This figure may vary from year to year. (Please disclose the basis of calculating the ongoing charges including, for example, when estimates are used due to material changes, rebates or fee waivers.)

(Note 1: The fund manager of Mainland funds may delegate investment management function to a party operating within the Mainland. However, a Mainland fund manager cannot delegate its investment management functions to a party operating outside the Mainland.)

(Note 2: Where the fund may pay dividends out of capital, please refer to the disclosure requirements in Q3A to Q3AC of the FAQ on Code on Unit Trusts and Mutual Funds.)

**What is this product?**

This is a fund constituted under the laws of the Mainland China and its home regulator is the China Securities Regulatory Commission.

**Objectives and Investment Strategy**

**Objectives**

The investment objective of the fund is [to provide investment results that, before fees and expenses, closely correspond to the performance of the index].

**Strategy**

The fund manager will [please specify the investment strategy of the fund] e.g. use a full replication strategy by investing all or substantially all of its assets in the constituents of the index, broadly in proportion to the respective weightings of the constituents; use a representative sampling strategy by investing in a portfolio featuring high correlation with the index and the fund manager may invest in other securities that are not included in the index etc.]

(Note 1: Where the fund may invest in financial derivative instruments ("FDI"), please disclose the types of FDI used and that the fund may invest in FDI for hedging purposes only.)

(Note 2: Please disclose whether the fund may engage in stock lending, repo transactions, reverse repo transactions or other similar transactions and the purpose and extent of such transactions e.g. up to X% of NAV. If the fund engages substantially (e.g. more than 30% of NAV) in such transactions, please also disclose the related risks.)

Description of the pooled fund's investment objective
Index

[Please include a brief description of (i) the market / sector the index aims to represent, and (ii) the characteristics and general composition of the index, and (where applicable) concentration in any economic sectors and/or issuers.]

The fund manager and its connected persons are independent of the index provider (or if not, please specify the means by which possible conflicts of interests will be addressed).

[Please include details of top 10 index constituents as of a date within a month of this Product Key Facts Statement.]

<table>
<thead>
<tr>
<th>Index Constituent</th>
<th>Weighting in index</th>
<th>Index Constituent</th>
<th>Weighting in index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. AAA Company</td>
<td>10%</td>
<td>6. FFF Company</td>
<td>0%</td>
</tr>
<tr>
<td>2. BBB Company</td>
<td>10%</td>
<td>7. GGG Company</td>
<td>0%</td>
</tr>
<tr>
<td>3. CCC Company</td>
<td>10%</td>
<td>8. HHH Company</td>
<td>0%</td>
</tr>
<tr>
<td>4. DDD Company</td>
<td>10%</td>
<td>9. JJJ Company</td>
<td>0%</td>
</tr>
<tr>
<td>5. EEE Company</td>
<td>10%</td>
<td>10. KKK Company</td>
<td>0%</td>
</tr>
</tbody>
</table>

The index methodology and the latest index information and other important news of the index are available from the [index website at (●)].

What are the key risks?

Investment involves risks and there is no guarantee of the repayment of principal. Please refer to the offering document for details including the risk factors.

[Note: Please refer to the FAQ published by the SFC.]

How has the fund performed?

[Chart showing performance of the fund over a period of years, with a note explaining the chart and its components.]

2. Total returns for the same periods as the pooled fund

An indication of the pooled fund's risk

Benchmark

1. Name and/or description
2. Total returns for the same periods as the pooled fund

Pooled Fund Returns

Currency used to express performance
Example 4: Fund-Specific Marketing Material—Monthly Fund Update

Global Fixed Income Plus
A sub-fund of Funds, SICAV

Investment Objective
- The Portfolio seeks to provide income and capital growth over the longer term. For full investment objectives and policy details see the Prospectus.

Financial Information
- Net Asset Value (NAV) EUR 1,003
- Total Net Assets (NAV+CFU) EUR 416
- Current Duration of Portfolio (years) 6.70
- Current Duration of Reference Benchmark (years) 6.21
- Yield to Maturity of Portfolio (%) 2.80

Fund Characteristics
- Currency - Class R Shares (Acc.) EUR
- Investment Date - Class R Shares (Acc.) 08/2015
- Fund Domicile Luxembourg

Performance (Indexed)
- Global Fixed Income Plus Portfolio - HEDGED
- Benchmark Global Aggregate Bond Index - HEDGED
- Global Bond - EUR HEDGED Sector

Performance Summary
- Since Launch Cumulative LN/NA YTD ANNUALISED LN/NA
- Class R Shares (Acc.) 1.00 1.00 1.00 1.00
- Global Bond - EUR HEDGED Sector 1.00 1.00 1.00 1.00

Sector Allocation
- Global Bond Income Plus Portfolio (Hedged)
- Sector Allocation (%) 1.0% Government 14.2% Corporates 14.3% Mortgage-Backed Securities 10.2% Asset-Backed Securities 3.3% Emerging Market Debt 1.0% High Yield

Credit Allocation
- Data from datastream/agency

Country Bond Allocation
- Global Bond Income Plus Portfolio (Hedged)
- Country Bond Allocation (%) 0.0% US 40.0% Japan 13.0% UK 3.0% Canada 8.0% Denmark 6.0% Sweden 5.0% Austria 1.0% Norway 0.0%

Please see Additional Notes. All performance and holding data as of 31st August 2016.

Description of the pooled fund’s investment objective

Benchmark
- 1. Name and/or description
- 2. Total returns for the same periods as the pooled fund

Currency used to express performance

Pooled Fund Returns
Certain Material Risks

An investment in the Shares of the Portfolio does not constitute a complete investment programme. The following risk considerations detail certain risks with an investment in the Portfolio as described in the KIID but is not a comprehensive summary of all the risks associated with an investment in the Portfolio. For more detailed information on the risks associated with an investment in the Portfolio, please refer to the section in the Prospectus entitled “Risk Considerations”.

- **Market risk** - the value of assets in the Portfolio is typically dictated by a number of factors, including the confidence levels of the market in which they are traded.

- **Contingent Convertible (“CoCo”) Bond Risk** - investment in this particular type of bond may result in material losses to the Portfolio based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.

- **Operational risk** - material losses to the Portfolio may arise as a result of human error, system and/or process failures, inadequate procedures or controls.

- **Liquidity risk** - the Portfolio may not always find another party willing to purchase an asset that the Portfolio wants to sell which could impact the Portfolio’s ability to meet redemption requests on demand.

- **Exchange rate risk** - changes in exchange rates may reduce or increase the returns an investor might expect to receive independent of the performance of such assets. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.

- **Custodian risk** - insolvency, breaches of duty of care or misconduct of a custodian or sub-custodian responsible for the safekeeping of the Portfolio’s assets can result in loss to the Portfolio.

- **Interest rate risk** - when interest rates rise, bond prices fall, reflecting the ability of investors to obtain a more attractive rate of interest on their money elsewhere. Bond prices are therefore subject to movements in interest rates which may move for a number of reasons, political as well as economic.

- **Credit risk** - the failure of a counterparty or an issuer of a financial asset held within the Portfolio to meet its payment obligations will have a negative impact on the Portfolio.

- **Derivatives risk** - derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.

- **Counterparty risk** - a party that the Portfolio transacts with may fail to meet its obligations which could cause losses.

- **High yield risk** - high-yield instruments, meaning investments which pay a high amount of income generally involve greater credit risk and sensitivity to economic developments, giving rise to greater price movement than lower yielding instruments.

- **Emerging markets risk** - emerging markets are likely to bear higher risk due to lower liquidity and possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions.

- **Leverage risk** - the Portfolio may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged Portfolio may result in large fluctuations in the value of the Portfolio and therefore entails a high degree of risk including the risk that losses may be substantial.