

DBSAM FUNDS

Société d'Investissement à Capital Variable
Luxembourg

Sub-Funds:

"DBSAM FUNDS: DBS Asia Credit Fund"
(hereinafter the "DBS Asia Credit Fund")

Prospectus

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L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2012-02-20
Commission de Surveillance du Secteur Financier



GLOSSARY

“2010 Law” means the Luxembourg law of 17 December 2010 on undertakings for collective investment.

“Board of Directors” means the board of directors of the Fund.

“Business Day” means a day (except Saturday or Sunday) on which banks and other financial institutions are open for business in Luxembourg city and in Singapore.

“CSSF” means the Commission de Surveillance du Secteur Financier.

“Directive” means Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

“EU” means the European Union.

“Fund” means DBSAM FUNDS.

“Institutional Investor” means an investor which qualifies as an institutional investor within the meaning of article 174 of the 2010 Law.

“Member State” means a member state of the EU.

“Money Market Instruments” means instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time.

“Net Asset Value per Share” of each class of Shares shall be determined as of any Valuation Day by dividing the net assets of the Fund attributable to each class of Shares, being the value of the portion of the assets less the portion of liabilities attributable to such class, on any such Valuation Day, by the number of Shares in the relevant class then outstanding.

“Other Regulated Market” means a market which is regulated, operates regulatory and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.

“Other State” means any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania.

“Regulated Market” means a regulated market in the meaning of Directive 2004/39/EC of the EC Parliament and Council on markets in financial instruments, namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the Directive 2007/39/EC. An updated list of Regulated Markets is available at the following internet address: http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm

“Shares” means the shares of any class of the Fund issued and outstanding from time to time.

“Sub-Fund” means a specific portfolio of assets which is invested in accordance with a particular investment objective.

“Transferable Securities” means:

- shares and other securities equivalent to shares;
- bonds and other debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.

“UCI” undertaking for collective investment

“UCITS” means an undertaking for collective investment in transferable securities within the meaning of the Directive.

INTRODUCTION

DBSAM FUNDS is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*.

The Fund is offering Shares of several separate Sub-Funds on the basis of the information contained in this prospectus (the "Prospectus") and in the documents referred to herein. No person is authorised to give any information or to make any representations concerning the Fund other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser. Neither the delivery of the Prospectus nor the offer, sale or issue of Shares shall under any circumstances constitute a representation that the information given in the Prospectus is correct at any time subsequent to the date hereof. An amendment or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share of the relevant Sub-Fund, as defined in the articles of incorporation of the Fund (the "Articles").

In accordance with the Articles, the Board of Directors of the Fund may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

Luxembourg - The Fund is registered pursuant to Part I of the 2010 Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

European Union ("EU") - The Fund is a UCITS for the purposes of the Directive and the Board of Directors of the Fund proposes to market the Shares in accordance with the Directive in certain Member States of the EU.

United States of America ("USA") - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 10 of the Articles and hereinafter.

The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the law of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "U.S. Person"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Articles give powers to the Board of Directors of the Fund to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The Fund may compulsorily redeem all Shares held by any such person.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the Fund.

All references in the Prospectus to “EUR” are to the legal currency of the European Union Member States participating to the Economic Monetary Union, all references to “USD” are to the legal currency of the USA, all references to “JPY” are to the legal currency of Japan, all references to “SGD” are to the legal currency of Singapore, all references to “AUD” are to the legal currency of the Commonwealth of Australia, all references to “BRL” are to the legal currency of Brazil, all references to “IDR” are to the legal currency of Indonesia, all references to “INR” are to the legal currency of the Republic of India, all references to “TRY” are to the legal currency of Turkey and all references to “ZAR” are to the legal currency of South Africa.

Further copies of this Prospectus may be obtained from:

Nikko Asset Management Asia Limited
8 Cross Street
#08-01 PWC Building
Singapore 048424

Or

RBC Dexia Investor Services Bank S.A.
14, Porte de France
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- Mr. Chan Kum Kong
Investment Director,
Nikko Asset Management Asia Limited
- Ms. Joyce Chua Peck Koon
Head of Institutional Business
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Nikko Asset Management Asia Limited
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Administrative Agent and the
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CONTENTS

GLOSSARY	2
INTRODUCTION	4
PART A: GENERAL FUND INFORMATION	9
INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES, INVESTMENT RESTRICTIONS AND RISK MANAGEMENT PROCESS	9
GENERAL RISK CONSIDERATIONS	21
DISTRIBUTOR	23
THE SHARES	23
PROCEDURE OF SUBSCRIPTION, CONVERSION AND REDEMPTION ..	25
DETERMINATION OF THE NET ASSET VALUE	30
DISTRIBUTION POLICY	33
CHARGES AND EXPENSES	34
MANAGEMENT COMPANY	36
CUSTODIAN, ADMINISTRATIVE AGENT, PAYING, LISTING, DOMICILIARY, CORPORATE AGENT AND REGISTRAR AND TRANSFER AGENT	37
INVESTMENT MANAGER	39
TAXATION	39
GENERAL INFORMATION	41
PART B: SPECIFIC INFORMATION	47
Appendix I. Sub-Fund DBSAM Funds: DBS Asia Credit Fund	47
1. Name	47
2. Specific Investment Policy and Restrictions	47
3. Initial Subscription Price	51
4. Minimum Investment	51
5. Sales Charge	52
6. Redemptions	52
7. Conversions	52
8. Exceptional Subscription, Redemption and Conversion charges	53
9. Reference Currency of the DBS Asia Credit Fund	53
10. Frequency of the Net Asset Value calculation and Valuation Day	53
11. Investment Manager	53
12. Investment Management Fee	54
13. Listing on the Luxembourg Stock Exchange	54
14. Publication of the Net Asset Value	54
15. Taxation	54
DOCUMENTS AVAILABLE	55

PART A: GENERAL FUND INFORMATION

INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES, INVESTMENT RESTRICTIONS AND RISK MANAGEMENT PROCESS

I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of its shareholders within the limits set forth under "Investment Restrictions". In order to achieve the investment objective, the assets of the Fund will be invested in Transferable Securities and such other financial assets permitted by law.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that their investment objective will be achieved.

The investment policies and structure applicable to the various Sub-Funds created by the Board of Directors are described hereinafter in Part B of this Prospectus. If further Sub-Funds are created the Prospectus will be updated accordingly.

II. INVESTMENT RESTRICTIONS

The investment policy shall comply with the following rules and restrictions:

A. Investments in the Sub-Funds shall consist solely of:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;
 - such admission is secured within one year of issue;

(5) units of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the Directive, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong and Japan);
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the Directive;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

(7) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

(ii) Under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market and which fall under the definition provided in the Glossary of this Prospectus, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(9) shares issued by one or several other Sub-Funds of the Fund (the “Target Sub-Fund(s)”), under the following conditions:

- (i) the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in the Target Sub-Fund;
- (ii) not more than 10% of the assets of the Target Sub-Fund may be invested in aggregate in shares of other Target Sub-Funds of the Fund;
- (iii) the voting rights linked to the securities of the Target Sub-Fund are suspended during the period of investment;

- (iv) in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- (v) there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund having invested in the Target Sub-Fund and those of the Target Sub-Fund.

B. Each Sub-Fund may however:

- (1) Invest up to 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under A (1) through (4) and (8).
- (2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the shareholders.
- (3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.
- (4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

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

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

• ***Transferable Securities and Money Market Instruments***

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

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

- the composition of the index is sufficiently diversified,

- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

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

- ***Bank Deposits***

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

- ***Financial Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10 % of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a financial derivative, the latter must be taken into account when complying with the requirements of (A) (7) and (C) (a) (10) above and (D) hereunder as well as with the risk exposure and information requirements laid down in the present Prospectus.

- ***Units of Open-Ended Funds***

(12) Unless otherwise specified in the relevant appendix in Part B, no Sub-Fund may invest in aggregate more than 10% of its assets in the units of a single UCITS or other UCI.

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

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the relevant Sub-Fund's appendix of Part B in this Prospectus the maximum level of the management fees that may be charged both to

the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

(b) Limitations on Control

(15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of the same issuer; (ii) more than 10% of the outstanding debt securities of the same issuer; (iii) more than 10% of the Money Market Instruments of any single issuer; or (iv) more than 25% of the outstanding shares or units of the same UCITS or other UCI within the meaning of Article 2 (2) of the 2010 Law.

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

The ceilings set forth above under (15) and in this paragraph do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s); and
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16);
- shares in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

D. In addition, the Fund shall comply in respect of its net assets with the following investment restrictions per instrument:

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

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

E. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.

(2) No Sub-Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) The investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities, in compliance with the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the 2010 Law and implementing the Directive.

(4) No Sub-Fund may use its assets to underwrite any securities.

(5) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.

(6) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).

(7) The Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

(2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

The Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Fund are offered or sold.

III. TECHNIQUES AND INSTRUMENTS

(A) General

The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management and hedging purposes.

When these operations concern the use of derivatives, the use of derivatives shall conform to the provisions laid down in Section II: "Investment Restrictions".

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in Part B: "Specific Information" in the relevant, Appendix in the Section 2 "Specific Investment Policy and Restrictions".

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to Securities Lending and Borrowing and Repurchase Agreement Transactions, provided that the following rules be complied with:

(B) Securities Lending and Borrowing

The Fund may enter into securities lending and borrowing transactions provided that they comply with the following rules:

- (i) The Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first class financial institution specializing in this type of transaction. In both cases, the counterparty to the securities lending agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community law.
- (ii) As part of lending transactions, the Fund must in principle receive, previously or simultaneously to the transfer of the securities lent, a guarantee, the value of which is during the lifetime of the lending contract at least equal to the global valuation of the securities lent.

This guarantee must be given in the form of liquid assets and/or in the form of securities issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature and blocked in the name of the Fund until the expiry of the loan contract.

Such a guarantee shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee in compliance with the requirements mentioned here above.

- (iii) Securities lending transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Securities lending and borrowing transactions may not extend beyond a period of 30 days. These limitations do not apply where the Fund is entitled at all times to the cancellation of the contract and the restitution of the securities lent.
- (iv) The net exposure of UCITS to counterparties in respect of securities lending or repurchase agreement transactions shall be taken into account within the limit of 20% provided for in Article 43 (2) of the 2010 Law pursuant to point 2 of Box 27 ESMA Guidelines 10-788.
- (v) The securities borrowed by the Fund may not be disposed of during the time they are held by the Fund, unless they are covered by sufficient financial instruments which enable the Fund to reconstitute the borrowed securities at the close of the transaction.
- (vi) Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund.
- (vii) The Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Custodian fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the

counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the Fund.

(C) Repurchase Agreement Transactions

The Fund may on an ancillary basis enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Fund can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- (i) The Fund may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specializing in this type of transaction, including a member bank of the U.S. Federal Reserve System and subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community law.
- (ii) During the life of a repurchase agreement contract, the Fund cannot sell or pledge the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has borrowed similar securities in compliance with the provisions set forth hereabove in respect of securities borrowing transactions.
- (iii) As the Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.
- (iv) Securities that are the subject of a purchase transaction are limited to:
 - (1) short term bank certificates or money market instruments such as defined within the 2007/16/EC Directive of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions,
 - (2) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope,
 - (3) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent,
 - (4) bonds issued by non-governmental issuers offering an adequate liquidity,

- (5) shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
- (v) The securities purchased with a repurchase agreement transaction must be in accordance with the relevant Sub-Funds investment policy and must, together with the other securities that the Sub-Funds holds in its portfolio, globally comply with the Sub-Funds' investment restrictions.
- (vi) If the Fund is acting as the seller of securities in relation to an repurchase agreement transactions the fund has to ensure that, at maturity of the repurchase transaction, it holds sufficient assets to be able to settle, if applicable, the amount agreed for the restitution of the securities.
- (vii) The net exposure of UCITS to counterparties in respect of securities lending or repurchase agreement transactions shall be taken into account within the limit of 20% provided for in Article 43 (2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

IV. RISK MANAGEMENT PROCESS

In accordance with the 2010 Law and the applicable regulations, in particular CSSF Circular 11/512, the Fund uses a risk-management process in relation to each Sub-Fund which enables it to assess the exposure of the relevant Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for each Sub-Fund.

As part of the risk management process, each Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the total net value of the portfolio of each Sub-Fund.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Section I and II "Investment Objectives and Policies" and "Investment Restrictions" in financial derivative instruments as further set out in the appendix of the relevant Sub-Fund.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section II "Investment Restrictions".

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

GENERAL RISK CONSIDERATIONS

Equity securities

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Fixed-income securities

Investing in fixed-income securities include the risks but are not limited to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

Emerging Market Countries

Investment in transferable securities of emerging market countries are subject to various risks with regard to the rapid economic development which some of these countries are experiencing. In this respect no assurance can be given that this process of development will continue during the years to come.

The degree of market regulation in these markets is generally lower than in more developed markets. As a rule, transferable securities of emerging market countries are substantially less liquid than transferable securities of the key markets. This may have negative effects on determining the time and price for the purchase or sale of transferable securities. In general, companies of emerging market countries are not subject to accounting, auditing, and financial reporting standards or requirements comparable to those existing in the key markets. Investments in emerging market countries may be influenced by political, economic or foreign policy changes. The ability of some issuers to repay the principal debt and interests may be uncertain, and no assurance can be given as to the possible insolvency of a particular issuer.

Depository Risks in Emerging Market Countries

Investments in emerging market countries are subject to an increased risk in relation to the ownership and custody of transferable securities.

Generally, investments in emerging market countries involve greater risks due to the lack of an appropriate system for the transfer, price calculation and accounting of the transferable securities and to their custody and record keeping.

Special Risks related to the investment in warrants on transferable securities

Warrants confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period.

The cost of this right will be substantially less than the cost of the share itself. Consequently the price movements in the Share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

Currency Risks

The Fund and each Sub-Fund may invest in transferable securities denominated in local currencies, and may hold cash in such currencies. Therefore, currency fluctuations of such currencies vis-à-vis the relevant Sub-Funds Reference Currency influence the value of the Sub-Funds. If, within a Sub-Fund, Classes of Shares are issued which are denominated in a currency other than the Sub-Fund's Reference Currency, the fluctuations in value of the Sub-Fund's Reference Currency will have a corresponding impact on the value of such Classes of Shares.

Market Risks

Some of the markets in which a Sub-Fund will invest may be markets with low market capitalisation, which tend to be volatile and illiquid.

These factors can influence the price at which the Sub-Fund may liquidate positions in order to meet redemption requests or other funding requirements.

Risks of Derivative Investments

An investment in derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with transactions in the portfolio of the relevant Sub-Fund; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. To the extent that derivative instruments are utilised for investment purposes, the overall risk of loss to

the portfolio of the relevant Sub-Fund may be increased. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the portfolio of the relevant Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

Potential investors should therefore be aware of all these risks and contact, if necessary, their personal investment adviser. The Board of Directors attempts to minimise the risks by the number and risk spreading of the investments of the Sub-Funds' assets.

Taking into account the principle of risk spreading within the investment limits in accordance with this Prospectus and the Articles, the Fund is authorised to invest up to 100% of each Sub-Fund's net assets in Transferable Securities and Money Market Instruments from different issues, guaranteed or issued by a member state of the EU, its local authorities, by another member state of the Organisation for Economic Co-operation and Development ("OECD") or by a public international organisation of which at least one member state of the EU is a member, insofar as these securities are part of at least six different issues, and the securities from one and the same issue do not exceed 30% of the respective Sub-Fund's net assets.

DISTRIBUTOR

Pursuant to an agreement dated 12 February 2007 the Management Company has appointed Nikko Asset Management Asia Limited, 8 Cross Street, #08-01 PWC Building, Singapore 048424 as distributor of the Fund (the "Distributor"), to market and promote the Fund's Shares in each Sub-Fund.

THE SHARES

The Fund may issue Shares of different classes reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, classes of Shares may be defined from time to time by the board so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or (ii) a specific sales and redemption charge structure, and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) a specific currency, and/or (vi) any other specific features applicable to one class.

Eleven classes of shares have been defined:

- class I-EUR Shares, which are denominated in EUR ("Class I-EUR Shares");
- class I-JPY Shares, which are denominated in JPY ("Class I-JPY Shares");
- class I-BRL Shares, which are denominated in BRL ("Class I-BRL Shares");
- class I-SGD Shares, which are denominated in SGD ("Class I-SGD Shares");
- class I-USD Shares, which are denominated in USD ("Class I-USD Shares");
- class P Shares, which are denominated in EUR ("Class P Shares");

- class R-EUR Shares, which are denominated in EUR ("Class R-EUR Shares");
- class R-JPY Shares, which are denominated in JPY ("Class R-JPY Shares");
- class R-BRL Shares, which are denominated in BRL ("Class R-BRL Shares");
- class R-SGD Shares, which are denominated in SGD ("Class R-SGD Shares") and
- class R-USD Shares, which are denominated in USD ("Class R-USD Shares").

It being understood that share classes which are denominated in another currency than the investments in the relevant portfolio of the relevant Sub-Fund are entitled to execute hedging strategies in order to hedge any currency risk (e.g. in relation to Class I-JPY Shares the relevant Sub-Fund exposure may be hedged to JPY).

Class I-EUR Shares, Class I-JPY Shares, Class I-SGD Shares, Class I-USD Shares and Class I-BRL Shares shall be offered to Institutional Investors only.

3,240 Class P Shares have been subscribed by Nikko Asset Management Asia Limited, formerly known as DBS Asset Management Ltd, at the date of incorporation of the Fund and entitle Nikko Asset Management Asia Limited in accordance with the Articles of the Fund to propose to the general meeting of shareholders a list containing the names of candidates for the position of director of the Fund out of which a majority of the directors of the Fund must be appointed.

The Board of Directors of the Fund does not contemplate to issue further Class P Shares to investors.

Class R-EUR Shares, Class R-JPY Shares, Class R-SGD Shares, Class R-USD Shares and Class R-BRL Shares are not restricted as to the type of investor to which they are offered.

Shares in any Sub-Fund may be issued on a registered basis only.

The inscription of the shareholder's name in the register of Shareholders evidences his or her right of ownership of such registered Shares.

A holder of registered Shares shall receive a written confirmation of his or her shareholding.

All Shares must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. Each Share of the Fund to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional registered Shares will be issued to one thousandth of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the Shares in the relevant Sub-Fund on a pro rata basis.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor

invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

If the Shares of a Sub-Fund are listed on the Luxembourg Stock Exchange, it will be specified in Part B of the present Prospectus.

PROCEDURE OF SUBSCRIPTION, CONVERSION AND REDEMPTION

Subscription of Shares

After the initial subscription period of a class of Shares of a Sub-Fund, the subscription price per Share in the relevant class or Sub-Fund (the "Subscription Price") is the total of the Net Asset Value per Share and the sales charge as stated in Part B of this Prospectus. The Subscription Price is available for inspection at the registered office of the Fund.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A in the section "Determination of the Net Asset Value" sub 1) "Calculation and Publication") following receipt of the application form provided that such application is received by the Fund in Luxembourg not later than 16.00, Luxembourg time, on the Business Day preceding that Valuation Day. Applications received after 16.00, Luxembourg time, on the Business Day preceding the Valuation Day, will be dealt with on the following Valuation Day.

Investors may be required to complete a purchase application for Shares or other documentation satisfactory to the Fund, indicating that the purchaser is not a U.S. Person or nominee thereof. Application forms containing such representation are available from the Fund.

Payments for Shares may be made either in the Reference Currency of the Fund, or in the Reference Currency of the relevant class or Sub-Fund or in any other freely convertible currency.

Payments for subscriptions must be made within five Business Days of the applicable Valuation Day. Should a Sub-Fund of the Fund prescribe shorter terms an indication of such shorter term will be included in the relevant Appendix of this Prospectus.

If the payment is made in a currency different from the Reference Currency of the relevant class or Sub-Fund, any currency conversion cost shall be borne by the shareholder.

The Fund may agree to issue shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the authorized auditor of the Fund (*réviseur d'entreprises agréé*) and provided that such securities comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in

connection with a contribution in kind of securities shall be borne by the relevant shareholders.

The Fund reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

Written confirmations of shareholding will be sent to shareholders within ten Business Days after the relevant Valuation Day.

No Shares in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by Article 12 of the Articles.

In the case of suspension of dealings in Shares the application will be dealt with on the first Valuation Day following the end of such suspension period.

Money Laundering Prevention

In order to contribute to the fight against money laundering, the Fund and the Registrar and Transfer Agent will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering prevention and, in particular, with the law dated 12 November 2004 on the combat against money laundering and terrorist financing, Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the amended law of 12 November 2004 on the fight against money laundering and terrorist financing and CSSF Circular 08/387 of 19 December 2008 and CSSF Circular 10/476 of 29 July 2010, as they may be amended or revised from time to time. The Registrar and Transfer Agent will furthermore adopt procedures designed to ensure, to the extent applicable, that it and its agents shall comply with the foregoing undertaking.

Moreover, the Fund is legally responsible for identifying the origin of monies transferred. Subscriptions may be temporarily suspended until such monies have been correctly identified.

In relation to an application for, or transfer of, Shares, the Fund and/or Registrar and Transfer Agent may require at any time such documentation as it/they deem appropriate. Failure to provide such information may result in an application not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of Shares, then such payment may not proceed.

Data Protection

The Fund may collect information from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Sub-Fund, and for other related activities. If a Shareholder or prospective Shareholder fails to provide such

information in a form which is satisfactory to the Fund, the Fund may restrict or prevent the ownership of Shares in the Sub-Fund and the Sub-Fund, the Custodian and/or the Administrative Agent (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.

By completing and returning an application form, Shareholders consent to the use of personal data by the Fund. The Fund may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority. Shareholders will upon written request be given access to their own personal data provided to the Fund. Shareholders may request in writing the rectification of, and the Sub-Fund will upon written request rectify, personal data. All personal data shall not be held by the Fund for longer than necessary with regard to the purpose of the data processing.

The Fund may need to disclose personal data to entities located in jurisdictions outside the EU, which may not have developed an adequate level of data protection legislation. In case of a transfer of data outside the EU, the Fund will contractually ensure that the personal data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Luxembourg data protection law.

The personal data is not intended to be used for marketing purposes.

Conversion of Shares

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given Class of Shares to Shares of another Class of Shares. Shareholders should note that a conversion from Class R-EUR Shares, Class R-JPY Shares, Class R-SGD Shares, Class R-USD Shares and Class R-BRL Shares to Class I-EUR Shares, Class I-JPY Shares, Class I-SGD Shares, Class I-USD Shares or Class I-BRL Shares is only possible if the converting shareholder is an Institutional Investor. No conversion shall be possible into Class P Shares.

The rate at which Shares of any class or Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant classes or Sub-Funds, calculated as of the Valuation Day following receipt of the documents referred to below.

Conversions of Shares in any class or Sub-Fund may be subject to a fee based on the respective Net Asset Value of the relevant Shares as stated in Part B of this Prospectus. However, this amount may be increased if the subscription fee applied to the original class or Sub-Fund was less than the subscription fee applied to the class or Sub-Fund in which the Shares will be converted. In such cases, the conversion fee may not exceed the amount of the difference between the subscription rate applied to the Sub-Fund in which the Shares will be converted and the subscription rate applied to the initial subscription. This amount will be payable to Nikko Asset Management Asia Limited.

Shares may be tendered for conversion on any Valuation Day.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until a duly completed request for conversion of Shares has been received at the registered office of the Fund from the shareholder.

Fractions of registered Shares will be issued on conversion to one thousandth of a Share.

Written confirmations of shareholding will be sent to shareholders within ten Business Days after the relevant Valuation Day, together with the balance resulting from such conversion, if any.

In converting Shares of a class or Sub-Fund for Shares of another class or Sub-Fund, a shareholder must meet the applicable minimum initial investment requirements imposed by the acquired Sub-Fund.

If, as a result of any request for conversion, the investment held by any shareholder in a class or Sub-Fund would fall below the minimum amount, if any, indicated in Part B of this Prospectus in the section "Minimum Investment" under the specific information for each Sub-Fund, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

Shares in any class or Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share in the relevant classes or Sub-Funds is suspended by the Fund pursuant to Article 12 of the Articles.

In the case of suspension of dealings in Shares, the request for conversion will be dealt with on the first Valuation Day following the end of such suspension period.

Redemption of Shares

Each shareholder of the Fund may at any time request the Fund to redeem on any Valuation Day all or any of the Shares held by such shareholder in any of the classes or Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Fund.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed, the relevant class or Sub-Fund, the name in which such Shares are registered and details as to whom payment should be made. All necessary documents to complete the redemption should be enclosed with such application.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the applications have been received by the Fund in Luxembourg prior to 16.00, Luxembourg time, on the Business Day

preceding the relevant Valuation Day. Applications received after 16.00, Luxembourg time, on the Business Day preceding the Valuation Day, will be dealt with on the next following Valuation Day.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant class or Sub-Fund determined on the relevant above mentioned Valuation Day following receipt of the redemption request, potentially decreased by a fee, as stated in Part B of this Prospectus.

The Redemption Price shall be paid no later than five Business Days after the applicable Valuation Day.

Payment will be made by transfer bank order to an account indicated by the shareholder, at such shareholder's expense and at the shareholder's risk.

Payment of the redemption price will automatically be made in the Reference Currency of the relevant class or Sub-Fund, except if instructions to the contrary are received from the shareholder; in such case, payment may be made in the Reference Currency of the Fund or in any other freely convertible currency and any currency conversion cost shall be deducted from the amount payable to that shareholder.

The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any class or Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such class or Sub-Fund is suspended by the Fund in accordance with Article 12 of the Articles.

Notice of any such suspension shall be given in all the appropriate ways to the shareholders who have made a redemption request which has been thus suspended. In the case of suspension of dealings in Shares, the request will be dealt with on the first Valuation Day following the end of such suspension period.

If, as a result of any request for redemption, the investment held by any shareholder in a class or Sub-Fund would fall below the minimum amount indicated in Part B of the present Prospectus, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 and conversion requests pursuant to Article 9 of the Articles relate to more than 10 percent of the Shares in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, but normally not exceeding 30 days. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount determined by the Board of Directors to be the minimum level for such

Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation or in order to proceed to an economic rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall provide at least 30 days' prior written notice of redemption to all holders of the Shares to be so redeemed. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund shall be kept in safe custody at the *Caisse de Consignation*. In addition, if the net assets of any Sub-Fund do not reach or fall below a level at which the Board of Directors considers management possible, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the Fund in the manner described in this Part A in the section "General Information" sub 5) "Mergers".

The Articles contain at Article 10 provisions enabling the Fund to compulsorily redeem Shares held by U.S. persons.

DETERMINATION OF THE NET ASSET VALUE

1) Calculation and Publication

The Net Asset Value per Share of each class in respect of each Sub-Fund shall be determined in the Reference Currency of that class or Sub-Fund.

The Net Asset Value per Share of each class in a Sub-Fund shall be calculated as of any Valuation Day (as defined hereinafter) by dividing the net assets of the Fund attributable to such class in any Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such class on any such Valuation Day) by the total number of Shares in the relevant class then outstanding.

The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant Reference Currency as the Board of Directors shall determine.

If, since the time of determination of the Net Asset Value per Share on the relevant Valuation Day (as defined hereinafter), there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value per Share of each class is determined on the day specified for each Sub-Fund in Part B of this Prospectus (the "Valuation Day") on the basis of the value of the underlying investments of the relevant Sub-Fund, determined as follows:

(a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

(b) The value of Transferable Securities and Money Market Instruments and any other assets listed or dealt in on any Regulated Market and/or any Other Regulated Market will be based on their last known closing price which is normally available at the end of the day preceding the relevant Valuation Day.

(c) In the event that any assets are not listed or dealt in on any stock exchange or on any Regulated Market and/or any Other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or any Regulated Market and/or Other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

(d) The liquidating value of futures, forward or options contracts not traded on exchanges or on Regulated Markets and/or Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on Regulated Markets and/or Other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets and/or Other Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.

(e) The value of Money Market Instruments not listed or dealt in on any stock exchange or any Regulated Market and/or Other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.

(f) Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

(g) All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

The net proceeds from the issue of Shares in the relevant Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Each Sub-Fund shall only be responsible for the liabilities, which are attributable to such Sub-Fund.

The value of all assets and liabilities not expressed in the Reference Currency of a class or Sub-Fund will be converted into the Reference Currency of such class or Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, in its discretion, may permit other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets.

The Net Asset Value per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund and will additionally be published in such newspapers if so determined for the particular Sub-Fund in Part B of this Prospectus.

2) Temporary Suspension of the Calculation

In each Sub-Fund, the Fund may temporarily suspend the calculation of the Net Asset Value per Share and the issue, redemption and conversion of Shares during:

(a) any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund quoted thereon.

(b) the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable.

(c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund.

(d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments

due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange.

(e) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained.

(f) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund.

(g) any period when the market of a currency in which a substantial portion of the assets of the Fund is denominated is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted.

(h) following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or the conversion at the level of a master fund in which the Sub-Fund invests in its quality as feeder fund of such master fund.

(i) any period when political, economic, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the net asset value of the Fund in a normal and reasonable manner.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the shareholders by way of publication and may be sent to shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value per Share in the relevant Sub-Fund, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

DISTRIBUTION POLICY

The general meeting of shareholders of the class or classes issued in respect of any Sub-Fund shall, upon proposal from the Board of Directors and within the limits provided by law, determine how the results of such Sub-Fund shall be disposed of, and may from time to time declare, or authorize the Board of Directors to declare, distributions.

Payments of distributions to holders of registered shares shall be made to such shareholders at their addresses in the register of shareholders.

The board of directors may decide to distribute stock dividends in lieu of cash dividends upon such terms and conditions as may be set forth by the board of directors.

No interest shall be paid on a dividend declared by the Fund and kept by it at the disposal of its beneficiary.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below EUR 1,250,000.

Any distribution that has not been claimed within five years of its declaration shall be forfeited and revert to the Sub-Fund relating to the relevant class or classes of shares.

CHARGES AND EXPENSES

General

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to its Investment Manager including performance fees, if any, fees and expenses payable to its Auditors and accountants, Custodian and its correspondents, Domiciliary and Corporate Agent, Registrar and Transfer Agent, Paying Agent, any nominee and placing agent, any centralization agent, any distributors, any listing agent, any paying agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The Investment Manager does not intend to agree to incur higher commissions or spreads for securities transactions effected through brokerage firms that provide it with research or other products or services. However, the Investment Manager may use “soft commissions” to the extent permitted by applicable law. (The term “**soft commissions**” refers to the receipt by an investment manager of products and services provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager.) The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, discussion with research personnel, and invitations to attend conferences or meetings with management or industry consultants. The

Investment Manager is not required to weigh any of these factors equally. Information so received in addition to and not in lieu of services required to be performed by the Investment Manager and the Investment Manager's fee is not reduced as a consequence of the receipt of such supplemental research information. Research services provided by broker-dealers used by the Fund may be used by the Investment Manager in connection with its investment services for other accounts and, likewise, research services provided by broker-dealers used for transactions of other accounts may be utilized by the Investment Manager in performing its services for the Fund.

The soft commission arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Fund when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Investment Manager; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; and (iv) the Investment Manager will provide periodic reports to the Board of Directors if applicable with respect to soft commission arrangements including the nature of the services it receives. In such reports, the relevant soft commission arrangements are listed.

Should a Sub-Fund qualify as a master fund of another UCITS, such other UCITS fund will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the master fund.

In the case where any liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds pro rata to their Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith.

In the event that any additional Sub-Fund is set-up within the Fund, then the following amortisation rules shall apply: (i) the costs and expenses for setting-up such additional Sub-Fund shall be borne by all Sub-Funds and will be written off over a period of five years and (ii) the additional Sub-Fund shall bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the additional Sub-Fund.

Fees of the Management Company

The Management Company is entitled to receive a fee from the Fund based on the net assets of the funds calculated in accordance with the provisions of the Prospectus.

Fees of the Investment Manager

The Investment Manager is entitled to receive from the relevant Sub-Fund a fee payable in arrears at the end of each calendar quarter, as determined in Part B of this Prospectus.

Fees of the Custodian, Administrative, Paying, Listing, Domiciliary, Corporate Agent and the Registrar and Transfer Agent

For the provision of their services, the Custodian, the Administrative Agent, the Domiciliary and Corporate Agent as well as the Registrar and Transfer Agent

perceive from the Fund annual fees which will vary from 0.0175% to a maximum of 2% per Sub-Fund subject to a minimum fee per Sub-Fund of USD 33,500,-. These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Custodian, the Administrative Agent, the Domiciliary and Corporate Agent as well as the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees. The amount paid by the Fund to the Custodian, the Administrative Agent, the Domiciliary and Corporate Agent as well as the Registrar and Transfer Agent will be mentioned in the annual report of the Fund, which contains additional information on these fees.

MANAGEMENT COMPANY

The Fund has appointed RBS Luxembourg S.A. (“RBS”) to serve as its designated Management Company in accordance with the 2010 Law pursuant to a Fund Management Agreement dated as of 12 February 2007. Under this Agreement, the Management Company provides investment management, administrative and marketing / distribution services to the Fund, subject to the overall supervision and control of the Board of Directors.

RBS has been incorporated on 10 November 2004 as a UCITS III management company authorized as of November 2004 in accordance with Part 4, chapter 13 of the 2002 Law and acts as management company of the Fund established in the form of a “*société d’investissement à capital variable*”. Since 1 July 2011, the Management Company is subject to Chapter 15 of the 2010 Law.

The Management Company is in charge of the day-to-day operations of the Fund. In fulfilling its responsibilities set forth by the 2010 Law and the Fund Management Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Fund and the CSSF. The Management Company’s liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management, central administration, marketing and distribution.

The Management Company shall at all time act in the best interest of the Shareholders and according to the provisions set forth by the 2010 Law, the Prospectus and the Articles.

The Fund Management Agreement provides for a term of unlimited duration and may be terminated by either party upon ninety (90) days prior written notice. For its services, the Fund will pay monthly compensation to the Management Company at the annual rates set forth in the “Fee Appendix” of the Fund Management Agreement.

As of the date of the present prospectus, RBS has also been appointed to act as management company for other investment funds and can be appointed in the future to act as management company for other investment funds, such funds will be mentioned in the financial reports of the Fund.

CUSTODIAN, ADMINISTRATIVE AGENT, PAYING, LISTING, DOMICILIARY, CORPORATE AGENT AND REGISTRAR AND TRANSFER AGENT

The Board of Directors has appointed RBC Dexia Investor Services Bank S.A. ("RBC Dexia") as custodian (the "Custodian") of the assets of all the Sub-Funds of the Fund.

RBC Dexia Investor Services Bank S.A. is a *société anonyme* under the laws of Luxembourg, incorporated in Luxembourg on 30 March 1994 (under the name "First European Transfer Agent") for an unlimited duration. It benefits from a banking licence under the Luxembourg law on the financial sector dated April 5, 1993, as amended, and specializes in the provision of custodian services, administrative agent services as well as other ancillary services. The registered office of the Custodian is located at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand-Duchy of Luxembourg. The consolidated and regulatory own funds of the Custodian amounted to an estimated Euro 1.1 billion as at 31 December 2010.

RBC Dexia Investor Services Bank S.A. is a subsidiary of RBC Dexia Investor Services Limited, a company incorporated under the legislation of England and Wales, which is controlled by Dexia Banque Internationale à Luxembourg S.A., Luxembourg, Grand Duchy of Luxembourg, and by Royal Bank of Canada, Toronto, Canada.

The Custodian carries out the usual duties regarding custody, cash and securities deposits.

In particular, and upon the instructions of the Board of Directors, it will execute all financial transactions and provide all banking facilities.

The Custodian will further, in accordance with the 2010 Law:

- a) ensure that the sale, issue, redemption and cancellation of Shares effected by the Fund or on its behalf are carried out in accordance with the law and the Articles;
- b) ensure that in transactions involving the assets of the Fund, any consideration is remitted to it within the customary settlement dates;
- c) ensure that the income of the Fund is applied in accordance with the Articles.

The Custodian may entrust all or part of the assets of the Fund, in particular securities traded abroad or listed on a foreign stock exchange or admitted to a clearing system, to such clearing system or to such correspondent banks as may be determined by the Custodian from time to time. The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party.

The rights and duties of RBC Dexia as Custodian are governed by an agreement entered into for an unlimited period of time and which may be terminated at any time by the Fund or the Custodian on giving a 90 days prior written notice. However, the

Custodian shall continue to act as Custodian pending replacement and until all assets of the Fund have been transferred to the successor custodian.

The Fund has further appointed RBC Dexia as its principal paying agent (the "Paying Agent") responsible for the payment of distributions.

The Fund has furthermore appointed RBC Dexia as its domiciliary and corporate agent (the "Domiciliary and Corporate Agent").

Pursuant to the Investment Fund Service Agreement the Fund has appointed RBC Dexia as listing agent. Depending on the requirement of the Fund, RBC Dexia acts as the Fund's listing agent on the Luxembourg Stock Exchange. In connection therewith RBC Dexia carries out all functions that are required.

The rights and duties of RBC Dexia as Domiciliary, Corporate, Listing and Paying Agent are governed by an Investment Fund Service Agreement entered into for an unlimited period of time and which may be terminated at any time by the Fund or the Domiciliary, Corporate, Listing and Paying Agent on giving a 30 days prior written notice.

Pursuant to the administration agency agreement the Management Company, with the consent of the Fund, has delegated to RBC Dexia the functions of central administrative agent and of registrar and transfer agent. As administrative agent, RBC Dexia shall provide the Company, in relation to the Fund with services like book-keeping of the Fund in accordance with general accounting principles and legal provisions, the periodical determination of the net asset value, the drafting of the annual accounts and periodical financial statements and reports of the Fund and finally the correspondence with the authorized auditors of the Fund.

As registrar and transfer agent of the Fund, RBC Dexia shall provide the Company, in relation to the Fund with the processing of transactions, the maintenance of records, the handling of share certificates, the control of the prevention of money laundering as well as the prevention of late trading and market trading and finally in determining the eligibility of investors. RBC Dexia shall implement and apply measures against money laundering and the fight against terrorism in accordance with the laws and regulations of the Grand Duchy of Luxembourg and the applicable Circulars as issued from time to time by the Luxembourg Supervisory Authority, in particular, CSSF Circular 08/387 of 19 December 2008 and CSSF Circular 10/476 of 29 July 2010.

The rights and duties of RBC Dexia being the central administrative agent and the registrar and transfer agent are governed by the administration agency agreement entered into for an unlimited period of time and which may be terminated at any time by the Fund, the Management Company or RBC Dexia on giving a 90 days prior written notice.

INVESTMENT MANAGER

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers expressly assigned by law to the general meeting of shareholders.

The Board of Directors has been given power to administer and manage the Fund and to decide on its objectives and the investment policy to be pursued by each Sub-Fund.

In order to carry out this policy, the Fund and the Management Company shall appoint one or more investment managers for each Sub-Fund, as specified in Part B of this Prospectus (individually the “Investment Manager” and collectively the “Investment Managers”) who may, subject to the approval of the Board of Directors, sub-delegate its powers, in which case the Prospectus shall be updated accordingly.

The Investment Manager provides the Board of Directors with advice, reports and recommendations in connection with the management of the assets of the Sub-Funds and shall advise the Board of Directors as to the selection of the securities and other assets constituting the portfolios of the Sub-Funds and, pursuant to the agreement as set forth below, has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Board of Directors of the Fund, to purchase and sell securities and otherwise to manage the Sub-Funds' portfolios. Thus, the Investment Manager takes the investment decisions for the relevant Sub-Funds. In addition the relevant Investment Manager may designate an Investment Advisor, who will be paid by the Investment Manager. This will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of this Prospectus.

The rights and duties of the Investment Manager are governed by an agreement entered into for an unlimited period of time and which may be terminated by the Fund in compliance with article 17 of the Articles of Incorporation or the Investment Manager in accordance with the Investment Management Agreement dated 12 February 2007.

TAXATION

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

A. Taxation of the Fund in Luxembourg

The Fund is not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax subject to the potential application of the Luxembourg laws implementing the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (“EUSD”). The Fund is, however, with regard to Class I-EUR Shares, Class I-JPY Shares, Class I-SGD Shares, Class I-USD Shares, Class I-BRL Shares and Class P Shares liable in Luxembourg to a tax of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter, whereas Class R-EUR Shares,

Class R-JPY Shares, Class R-SGD Shares, Class R-USD Shares and Class R-BRL Shares of the Fund will be subject to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Shares, unless the issue of Shares causes an amendment of the Fund's Articles which requires the payment of a flat registration duty amounting to EUR 75,- (as referred to below). No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

General

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

The Fund was liable to an initial capital tax of EUR 1,250.- which was paid upon incorporation. Any future amendments to the Fund's Articles, including capital increases, will be subject to a flat registration duty of EUR 75,-.

B. Luxembourg Taxation of Shareholders

Under current legislation, shareholders are not subject to any capital gains, income or withholding tax in Luxembourg (except for those domiciled, resident or having a permanent establishment or a permanent representative in Luxembourg).

In accordance with the provisions of the EUSD, which entered into force on 1 July 2005, the possibility cannot be excluded that a withholding tax may be levied in certain cases if the Fund or its Luxembourg paying agent effects certain distributions or redemptions of fund shares and the recipient of these funds is an individual or a residual entity within the meaning of the EUSD ("**Residual Entities**"), resident or established in a EU Member State other than Luxembourg or individuals or residual entities resident or established in certain associated territories of the European Union (Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat as well as the former Netherlands Antilles, *i.e.* Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten – collectively the "Associated Territories"). The withholding tax on such payments and redemptions amounts to 35%.

Interest as defined by the Laws dated 21 June 2005 implementing the EUSD and several agreements concluded between Luxembourg and certain Associated Territories of the European Union encompasses (i) distributions of profits by the Fund derived from interest payments (unless the Fund's investment in debt claims does not exceed 15%) and (ii) income realised upon the sale, refund or redemption of the Shares if the Fund invests directly or indirectly more than 25% of its net assets in debt claims and to the extent such income corresponds to gains directly or indirectly derived from interest payments.

The shareholders affected can instead explicitly authorize the Luxembourg paying agent to disclose the necessary tax information according to the information exchange system provided for in the EUSD to the tax authority for the respective domicile.

Alternatively, he can present to the Luxembourg paying agent a certificate issued by the tax authority for the respective tax domicile for exemption from the above withholding tax. Under the current revision drafts of the EUSD, the abrogation of this second exchange of information procedure may occur.

General

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

Specific risks resulting from new obligations relating to the disclosure of tax information in Germany

The Fund is obliged to prove the accuracy of any disclosed information regarding the tax assessment calculation upon demand of the German tax authorities.

Should errors made in the past occur at a later stage, respective correction will not have any impact on the past but rather on the ongoing business year. It is understood that such correction may be made to the advantage, as well as to the disadvantage of the investor, regardless of whether distributions have been paid out or retained.

GENERAL INFORMATION

1) Corporate Information

The Fund was incorporated for an unlimited period of time on 24 July 2003 and is governed by the Law of 10 August 1915 on commercial companies, as amended, and by the 2010 Law.

The registered office of the Fund is established at 69, route d'Esch, L-1470 Luxembourg. The Fund is registered at the Luxembourg Commercial and Companies Register (*Registre de Commerce et des Sociétés "RCS"*) under the number B 94979.

The Articles have been published in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial") of 4 September 2003 and have been filed with the Chancery of the District Court of Luxembourg together with the *Notice légale* on the issue and sale of Shares. The Articles have been amended on 13 February 2004 and 29 September 2011. The last recent amendments of the Articles have been published

in the Mémorial on 2 December 2011. Any interested person may inspect these documents at the Luxembourg Commercial and Companies Register; copies are available on request at the registered office of the Fund.

The minimum capital of the Fund, as provided by law and by Article 5 of the Articles is EUR 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at EUR 32,500,- divided into 3,250,- fully paid-up Shares of no par value.

The Fund is open-ended which means that it will, at any time on the request of the shareholders, redeem its Shares at prices based on the applicable Net Asset Value per Share of the relevant Sub-Fund.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

The Board of Directors of the Fund may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

The Articles, at Article 10, contain provisions enabling the Fund to restrict or prevent the ownership of Shares by U.S. persons.

2) Meetings of, and Reports to, Shareholders

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the Mémorial and in any Luxembourg and other newspaper(s) that the Board of Directors may determine. Such notices will indicate the date and time of the meeting as well as the agenda, quorum requirements and the conditions of admission.

As all the Shares are only issued in registered form, convening notices may be mailed by registered mail to each registered shareholder without any further publication.

If the Articles are amended, such amendments shall be filed with the Luxembourg Commercial and Companies Register and published in the Mémorial.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on 1 July and terminates on 30 June. The first accounting year ended on 30 June 2004.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting on the fifteenth day in the month of October at 10 a.m. and for the first time in 2004. If such day is not a bank business day in Luxembourg, the annual general meeting shall be held on the next following bank business day in Luxembourg.

The shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

The combined accounts of the Fund shall be maintained in EUR being the currency of the share capital. The financial statements relating to the various separate Sub-Funds shall also be expressed in the relevant Reference Currency for the Sub-Funds.

3) Dissolution and Liquidation of the Fund

The Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Fund shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by the simple majority of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital amounting to EUR 1,250,000 set by Article 5 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of shareholders which shall determine their powers and their compensation.

The net proceeds of liquidation corresponding to each class of shares in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant class in such Sub-Fund in proportion to their holding of such Shares.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law. Such law specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

4) Dissolution of Sub-Funds

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund or in order to proceed to an economic rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall serve a notice to the holders of the relevant Shares at least thirty days prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations: registered holders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any Sub-Fund may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of the shares present or represented and voting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation of the last Sub-Fund of the Fund will result in the liquidation of the Fund under the conditions of the 2010 Law.

5) Mergers

(i) Mergers decided by the Board of Directors

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

(aa) Merger of the Fund

The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS (the “New UCITS”); or
- a sub-fund thereof,

and, as appropriate, to redesignate the Shares of the Fund as shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the Fund is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Fund is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the shareholders has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes cast at such meeting.

(bb) Merger of Sub-Funds

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing Sub-Fund within the Fund or another sub-fund within a New UCITS (the “New Sub-Fund”); or
- a New UCITS,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as shares of the New UCITS, or of the New Sub-Fund as applicable.

(ii) Mergers decided by the shareholders

Notwithstanding the provisions under point (i) “Merger decided by the Board of Directors”, the general meeting of shareholders may decide to proceed with a merger

(within the meaning of the 2010 Law) of the Fund or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

(aa) Merger of the Fund

The general meeting of the shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a sub-fund thereof.

The merger decision shall be adopted by the general meeting of shareholders with no quorum requirement at a simple majority of the votes validly cast at such meeting.

(bb) Merger of Sub-Funds

The general meeting of the shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund,

by a resolution adopted with no quorum requirement at a simple majority of the votes validly cast at such meeting.

In all the merger cases under (aa) and (bb) above, the shareholders will in any case be entitled to request, without any charge other than those retained by the Fund or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the 2010 Law.

Any cost associated with the preparation and the completion of the merger shall neither be charged to the Fund nor to its shareholders.

PART B: SPECIFIC INFORMATION

Appendix I. Sub-Fund DBSAM Funds: DBS Asia Credit Fund

1. Name

The name of the Sub-Fund is “**DBSAM Funds: DBS Asia Credit Fund**” (hereinafter referred to as the “**DBS Asia Credit Fund**”).

2. Specific Investment Policy and Restrictions

The investment objective of DBS Asia Credit Fund is to generate total return from the capital appreciation and income of investments in mainly USD denominated fixed income securities issued by sovereigns, quasi-sovereigns, Supranationals and companies in the Asian region. The Asian region consists of but is not limited to countries such as China, Hong Kong SAR, Indonesia, India, South Korea, Malaysia, Philippines, Pakistan, Singapore, Thailand, Taiwan and Vietnam.

The investment focus of DBS Asia Credit Fund is to invest primarily in transferable securities of issuers being the members of the JACI Investment Grade Total Return Index (“Benchmark”), which is an investment-grade sub-index of JPMorgan Asia Credit Index. The members of the Benchmark are rated at least BBB- by S&P or Baa3 by Moody’s (“Investment Grade”).

From time to time, the DBS Asia Credit Fund may invest in non-members of the Benchmark, which may be rated below Investment Grade (BB+ and below by S&P or Ba1 or below by Moody’s). The Investment Manager does not expect such allocation to exceed 20% of the DBS Asia Credit Fund’s Net Asset Value at the point of investment.

The Investment Manager adopts several credit strategies to generate ‘alpha’ type of returns. These credit strategies include, but are not limited to:

- **Fundamental** – Fundamental analysis of securities; buy improving credit and sell deteriorating credit.
- **Relative Value** – Relative value trades; buy undervalued credit and sell overvalued credit.
- **Momentum** – Credit cycle trades; defensive strategy (e.g. long High Grade during down cycles) vs. offensive strategy (e.g. long High Yield during up cycles).
- **Sector Rotation** – Trades on uncorrelated sector cycles.
- **Credit Rating** – Trading in anticipation of up and downgrades of credit ratings.
- **Credit Duration** – Inverting/Flattening/Steepening of credit curves.
- **Basis Trades** – Basis trades between cash and credit derivative instruments.

DBS Asia Credit Fund does not have any target industry or sector.

On an ancillary basis, the DBS Asia Credit Fund may within the limits imposed by applicable law and regulations hold cash and Money Market Instruments.

The Reference Currency of the DBS Asia Credit Fund is the USD. Assets of the Sub-Fund may be denominated in currencies other than the Reference Currency of the DBS Asia Credit Fund. In addition various share classes are denominated in a currency which is different to the Reference Currency. Therefore, each share class may be exposed to currency risk due to fluctuations in the different exchange rates. The Investment Manager may mitigate this risk by using various hedging strategies through the use of financial derivative instruments.

For efficient portfolio management as well as for hedging purposes, the DBS Asia Credit Fund may seek to protect and enhance the asset value of the Sub-Fund through hedging and investment strategies consistent with the Sub-Fund's investment objectives by utilising financial derivative instruments.

In particular the following financial derivative instruments may be used: options on securities, forward contracts, over-the-counter options, interest rate swaps, credit default swaps, index futures, futures or options of any kind of financial instrument or structured notes such as credit-linked notes, equity-linked notes and index-linked notes, within the limits provided in the Section "Investment Restrictions".

The DBS Asia Credit Fund is suitable for retail and institutional investors who have a medium to long term time horizon looking for an actively managed portfolio of fixed income securities of primarily Asian bond market issuers.

An investment in derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with transactions in the portfolio of the relevant Sub-Fund; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. To the extent that derivative instruments are utilised for investment purposes, the overall risk of loss to the portfolio of the relevant Sub-Fund may be increased. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the portfolio of the relevant Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

The Board of Directors and the Management Company have entrusted Nikko Asset Management Asia Limited as investment manager of the Sub-Fund, as further described herebelow.

Investors in the DBS Asia Credit Fund are advised to carefully consider the following risks:

Investors in the DBS Asia Credit Fund should consider and satisfy themselves as to the risks of investing in the DBS Asia Credit Fund. The following are some of the risk factors that should be considered by investors:

- (i) The income earned by the DBS Asia Credit Fund may be affected by fluctuations in foreign exchange rates. The Investment Manager may or may not hedge such positions.
- (ii) An investment may entail interest rate risk due to fluctuations in market interest rates. Interest rates depend on demand and supply on the international money markets, which are in turn influenced by economic factors, speculation and interventions by central banks and government agencies as well as by other political factors.
- (iii) Credit risk involves the risk that an issuer of fixed-income securities held by the DBS Asia Credit Fund (which may have low credit ratings) may default on its obligations to pay interest and repay principal, and the DBS Asia Credit Fund will not recover its investment.
- (iv) The Investment Manager may hedge the DBS Asia Credit Fund's investment in foreign currencies. The Investment Manager may seek to hedge the DBS Asia Credit Fund's securities and other assets and liabilities against adverse currency and interest rate fluctuations by writing call options and purchasing or selling financial futures contracts and related options on currency and entering into forward foreign exchange transactions in currency.
- (v) Where DBS Asia Credit Fund engages in derivative instruments it is exposed to a potential counterparty risk. In the case of insolvency or default of the counterparty, such event would affect the assets of the Sub-Fund.
- (vi) There is the risk that the DBS Asia Credit Fund will proportionally defer redemptions within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons.
- (vii) In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less

volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the DBS Asia Credit Fund.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognized credit rating organization. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

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

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

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the DBS Asia Credit Fund. Furthermore, compensation schemes may

be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

Investors should carefully consider the usual risks of investing and participating in listed and unlisted securities and seek professional advice from their tax consultants to determine the possible tax consequences of an investment in the DBS Asia Credit Fund. Prices of securities may go down or up in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the Net Asset Value of Shares of the Fund to go down or up as the Net Asset Value of the Shares of the Fund are based on the current market value of its investments. These investments may be affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, default risks and other restrictions and controls which may be imposed by the relevant authorities in other countries. Fluctuations in foreign exchange rates may have an impact on the income of the Fund and affect the Net Asset Value of the Shares of the Fund.

Investors should also refer to the Section "General Risk Considerations" of this Prospectus.

3. Initial Subscription Price

The initial subscription price (subscription price plus the sales charge) per Share for the first investor(s) will be as follows:

Class of Shares	subscription price	sales charge
R-USD	USD 10.00	5% maximum

4. Minimum Investment

The minimum initial investment requirements, the minimum holding requirements and the minimum subsequent investment requirements per investor in the **DBS Asia Credit Fund** are as follows:

	Class I-USD Shares	Class P Shares	Class R-USD Shares
initial investment	USD 3,000,000	EUR 10,000	USD 10,000
minimum holding	USD 3,000,000	EUR 10,000	USD 10,000

minimum subsequent investment	USD 1,000,000	EUR 1,000	USD 2,000
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The Board of Directors may, in its absolute discretion, accept a subscription which is below the above mentioned initial investment.

5. Sales Charge

After the initial subscription period, the subscription price corresponds to the Net Asset Value per Share of the **DBS Asia Credit Fund** on the relevant Valuation Day increased by a subscription fee of a maximum of 5% of the Net Asset Value per Share of the **DBS Asia Credit Fund** and shall revert to Nikko Asset Management Asia Limited.

The subscription list will be closed at 16.00 Luxembourg time at the latest on the Business Day preceding the relevant Valuation Day.

Payment for subscriptions must be made within five Business Days after the applicable Valuation Day.

6. Redemptions

The redemption price shall be equal to the Net Asset Value per Share of the **DBS Asia Credit Fund** on the relevant Valuation Day. A redemption fee of a maximum of 1% of the Net Asset Value per Share of the **DBS Asia Credit Fund** may be charged.

The redemption list will be closed at 16.00 Luxembourg time at the latest on the Business Day preceding the relevant Valuation Day.

The redemption price shall be paid no later than five Business Days after the applicable Valuation Day.

7. Conversions

The Shares of the **DBS Asia Credit Fund** may be converted into Shares of another Class of Shares according to the procedure described in the Prospectus. A conversion fee of a maximum of 1% of the Net Asset Value per Share of the **DBS Asia Credit Fund** may be charged.

The conversion list will be closed at 16.00 Luxembourg time at the latest on the Business Day preceding the applicable Valuation Day.

8. Exceptional Subscription, Redemption and Conversion charges

The Fund may apply a charge of up to 1% of the Net Asset Value per Share subscribed for in order to reflect any fiscal charges and dealing cost incurred on the purchase of assets for the Sub-Fund and with the aim of protecting the existing shareholders from carrying said charges and cost. The amount of the fee so collected shall be retained in the Sub-Fund.

The Fund may apply a charge of up to 1% of the Net Asset Value per Share redeemed in order to reflect any fiscal charges and dealing cost incurred on the realisation of assets for the Sub-Fund and with the aim of protecting the remaining shareholders from carrying said charges and cost. The amount of the fee so collected shall be retained in the Sub-Fund.

The Fund may apply a charge of up to 1% of the Net Asset Value per Share converted in order to reflect any fiscal charges and dealing cost incurred on the purchase or realisation of assets for the Sub-Fund and with the aim of protecting the remaining shareholders from carrying said charges and cost. The amount of the fee so collected shall be retained in the Sub-Fund.

It being understood that in case of an application of an exceptional subscription, redemption or conversion charge, the Fund is obliged to observe the principle of equal treatment of shareholders in relation to the shareholders of the same share class.

9. Reference Currency of the DBS Asia Credit Fund

The Net Asset Value per Share of the **DBS Asia Credit Fund** will be calculated in USD.

10. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share of the **DBS Asia Credit Fund** will be determined in Luxembourg under the overall responsibility of the Board of Directors on every Business Day ("Valuation Day").

The calculation is made by dividing the net assets of the Sub-Fund by the number of Shares in circulation at the time of calculation. The net assets of any Sub-Fund are calculated according to the valuation procedure described in Part A of this Prospectus and in the Articles.

11. Investment Manager

Nikko Asset Management Asia Limited is acting as Investment Manager for the DBS Asia Credit Fund. It also acts as Investment Manager for an equity fund focusing on the Asia-Pacific Region and which is governed by the laws of Singapore.

Nikko Asset Management Asia Limited is a limited liability company which was established under Singapore law under the name of DBS Asset Management Ltd. on 16 June 1982, and has an actual paid-up share capital of 64 million Singapore Dollars on 31 December 2010. It has been established for an unlimited period of time and its registered office is at 8 Cross Street, #08-01 PWC Building, Singapore 048424. The appointment of Nikko Asset Management Asia Limited, formerly DBS Asset Management Ltd as Investment Manager was made by agreement on 12 February 2007.

For the time being no investment advisor has been appointed.

12. Investment Management Fee

An investment management fee is payable to the Investment Manager in compensation for its services. In relation to Class I-USD Shares, such fee amounts to max. 1% per annum of the Net Asset Value attributable to the relevant share class., concerning Class R-USD Shares, the investment management fee amounts to max. 1.5% per annum of the Net Asset Value attributable to the relevant share class.

The investment management fee is payable in arrears at the end of each calendar quarter out of the assets attributable to the relevant share class of DBS Asia Credit Fund and calculated on the average of the net assets of the DBS Asia Credit Fund attributable to the relevant share class as at the last day of the relevant calendar quarter.

13. Listing on the Luxembourg Stock Exchange

The Shares of the **DBS Asia Credit Fund** are presently not listed on the Luxembourg Stock Exchange. The Board of Directors may in the future seek a listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange.

14. Publication of the Net Asset Value

The Net Asset Value per Share will be available at the registered office of the Fund.

15. Taxation

The DBS Asia Credit Fund is with regard to Class I-USD Shares and Class P Shares liable to a tax of 0.01% per annum of the Net Asset Value attributable to the relevant classes and with regard to Class R-USD Shares subject to a tax of 0.05% per annum of the Net Asset Value attributable to such class. Such tax is payable quarterly on the basis of the value of the aggregate net assets of the relevant Share class which the respective tax rate shall apply at the end of the relevant calendar quarter.

DOCUMENTS AVAILABLE

Copies of the following documents may be obtained during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

- (i) the Articles of Incorporation of the Fund;
- (ii) the agreement with the Custodian under the heading “Custodian Agreement”;
- (iii) the agreement with RBC Dexia as the domiciliary and corporate agent, the principal paying agent and the listing agent under the heading “Investment Fund Service Agreement”;
- (iv) the agreement with RBC Dexia as central administrative agent and registrar and transfer agent under the heading “Administration Agency Agreement”;
- (v) the agreement with the Investment Manager referred to under the heading “Investment Management Agreement”;
- (vi) the agreement between the Fund and RBS under the heading “Fund Management Agreement”;
- (vii) the agreement between the Fund, RBS and the Distributor under the heading “Distribution Agreement”;
- (viii) the latest reports and accounts referred to under the heading “Meetings of, and Reports to, Shareholders”.