THIRD SUPPLEMENTAL MASTER INFORMATION MEMORANDUM

IN RESPECT OF THE

**TEMPLETON GLOBAL TOTAL RETURN FUND,
FRANKLIN U.S. OPPORTUNITIES FUND,
TEMPLETON GLOBAL EQUITY FUND,
TEMPLETON ASIAN SMALLER COMPANIES FUND,
AND TEMPLETON GLOBAL BALANCED FUND**

This Third Supplemental Master Information Memorandum
is dated 30 July 2020.

Manager:
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
(Registration No. 200801032445 (833780-A))

Trustee:
Deutsche Trustees Malaysia Berhad
(Registration No. 200701005591 (763590-H))

Name of Funds	**Date of Constitution**
Templeton Global Total Return Fund	14 November 2012
Franklin U.S. Opportunities Fund	8 May 2013
Templeton Global Equity Fund	13 April 2015
Templeton Asian Smaller Companies Fund	7 October 2015
Templeton Global Balanced Fund	5 May 2015

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018, THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019, THE SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 13 DECEMBER 2019 AND THIS THIRD SUPPLEMENTAL MASTER INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Third Supplemental Master Information Memorandum has been seen and approved by the directors of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has authorized the *Templeton Global Total Return Fund, Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund,* ("the Funds"), the subjects of this Third Supplemental Master Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and takes no responsibility for the contents of this Third Supplemental Master Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Third Supplemental Master Information Memorandum.

ADDITIONAL INFORMATION

Investors are advised to read the Replacement Master Information Memorandum, the Supplemental Master Information Memorandum, the Third Supplemental Master Information Memorandum and this Third Supplemental Master Information Memorandum and obtain professional advice before subscribing to the Funds.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in this Third Supplemental Master Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Third Supplemental Master Information Memorandum or the conduct of any other person in relation to the Funds.

This Third Supplemental Master Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ('Foreign Jurisdiction'). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Funds to which this Third Supplemental Master Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The Funds are not registered in the United States of America under the Investment Company Act of 1940. The Units of the Funds have not been registered in the United States of America under the Securities Act of 1933. The Units of the Funds made available under this Third Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of residents thereof, unless pursuant to an exemption from registration requirements available under U.S. law, any applicable statute, rule or interpretation.

The term "U.S. Person" and "U.S. Persons" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

U.S. Persons are not eligible to invest in the Funds. Prospective investors shall be required to declare that they are not a U.S. Person and are not applying for Units on behalf of any U.S. Person. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. has the right to reject any application for Units if it has reasonable grounds to believe that any applicant is a U.S. Person or if any applicant is seeking to purchase Units on behalf of a U.S. Person. In the absence of written notice to Franklin Templeton Asset

Management (Malaysia) Sdn. Bhd. to the contrary, if a potential investor provides a non-U.S. address on the application form for investment in the Funds, this will be deemed to be representation and warranty from such investor that he/she/it is not a U.S. Person and that such investor will continue to be a non-U.S. Person so long as such investor holds any Unit of the Funds.

The Manager and/or its delegates will restrict or prevent the ownership of Units by any U.S. Person and/or any person, firm or corporate body if in the opinion of the Manager and/or its delegates, such holding may be detrimental to the Funds, Unit Holders, the Manager and/or its delegates or may result in a breach of any applicable law or regulation whether in Malaysia or in a foreign jurisdiction or may expose the Funds or the Unit Holders to liabilities (to include, amongst other things, regulatory or tax liabilities and any other tax liabilities that might derive, amongst other things, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including U.S. Persons and/or persons in breach of FATCA requirements) are herein referred to as "Prohibited Persons".

More specifically, the Manager shall have the power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by any Prohibited Person and may:

1) decline to issue any Units and decline to register any transfer of Units, where it appears to it that such issuance or transfer would or might result in beneficial ownership of such Units by a Prohibited Person;

2) at any time, require any person whose name is entered in the register of Unit Holders or any person seeking to transfer his/her/its Units to furnish the Manager with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Units held by the Unit Holders rests or will rest in a Prohibited Person, or whether the transfer of Units will result in beneficial ownership of such Units by a Prohibited Person;

3) where it appears to the Manager that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Manager may require, may compulsorily redeem from any such Unit Holder all or part of the Units held by such Unit Holder; and

4) decline to accept the vote of any Prohibited Person at any meeting of Unit Holders of the Funds.

The Funds are not registered in any provincial or territorial jurisdiction in Canada and Units of the Funds have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Units made available under this Third Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof, unless such Canadian resident is, and will remain at all times during their investment, a “permitted client” as that term is defined in Canadian securities legislation. Prospective investors may be required to declare that they are not a Canadian resident and are not applying for Units on behalf of any Canadian resident. If an investor becomes a Canadian resident after purchasing Units of the Funds, the investor will not be able to purchase any additional Units of the Funds.

Notice on Personal Data Protection

For the purposes of the notice below, the term “personal data” shall have the same meaning prescribed in the Personal Data Protection Act 2010 (“the PDPA”) and the term “processed” shall have the same meaning as “processing” as prescribed in the PDPA.

All personal data of investors contained in the investment application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related companies of the Manager, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account administration, development of business relationships, anti-money laundering requirements and counter-terrorist financing identification, tax identification (including for the purpose of compliance with FATCA or similar laws and regulations (e.g. on OECD level)), processing of transaction(s) and/or any other general business purposes (including direct marketing and promotion of the Manager's other products and services unless the Manager has been informed by the investor not to process his/her personal data for direct marketing and promotion) by the Manager.

The investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete. Please refer to the investment application form for further details on the personal data protection requirements.

The Manager and/or its delegates, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons and/or non-participant Foreign Financial Institutions (as defined in FATCA) to the Malaysian tax authorities which may transfer them, if any, to the Internal Revenue Service in the United States of America. Data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to the applicable legal minimum retention periods.

Automatic Exchange of Account Information

On 27 January 2016, Malaysia signed the Multilateral Competent Authority Agreement ("MCAA") on the implementation of the global standard for automatic exchange of financial account information. By signing the MCAA, Malaysia has agreed to implement regulations to enable the adoption of automatic exchange of information with other signatory countries. The first exchange of information is anticipated to take place in 2018, in relation to accounts held in the 2017 calendar year.

Investors are hereby notified that the Funds and/or the Manager may be required under Malaysian laws and regulations to report details of specified accounts of account holders resident in other MCAA signatory jurisdictions. The Malaysian tax authorities may share such account data in accordance with the MCAA with the tax authorities of other MCAA signatory jurisdictions where the account holder is tax resident. The information which may be reported includes the reportable person or entity's name, address, tax identification number, date and place of birth (for an individual), account balance and the total gross proceeds pair or credited to the account during the relevant reporting period.

When requested to do so by the Funds and/or Manager or its respective agent, in order to meet its obligations under future Malaysian Law adopting the MCAA, Unit Holders must provide certification of their tax residence and status.

Unless otherwise provided in this Third Supplemental Master Information Memorandum, all capitalized terms used herein shall have the same meaning as ascribed to them in the Replacement Master Information Memorandum dated 16 April 2018 as amended by any supplemental master information memorandum ("the Replacement Master Information Memorandum")

EXPLANATORY NOTE

This Third Supplemental Master Information Memorandum is being issued to inform investors of:

- changes to the "Definitions" in the Replacement Master Information Memorandum;
- changes to the "Specific Risks Related to the Target Funds" for the FTIF-FUSOF and FTIF-TASCF, FITF-TGTRF and certain "Risk Considerations";
- changes in the write-up under "Investment Policies and Strategies of the Target Funds" for FTIF-TGTRF and FITF-TASCF; and
- a change in the write-up relating to "Swing Pricing Adjustment".

A. DEFINITIONS

DEFINITIONS
Pages 2 - 9 of the Replacement Master Information Memorandum

1. The definition of “Bond Connect” is hereby added immediately after the definition of “BNM” as follows:

   “Is a mutual market access scheme allowing overseas investors to trade in bonds circulated on the China Interbank Bond Market (CIBM).”

2. The definition of “QFII” is hereby added immediately after the definition of “Sophisticated Investor” as follows:

   “Qualified Foreign Institutional Investor portfolio authorised by the China Securities Regulatory Commission of Mainland China to invest in the securities market of Mainland China.”

B. CHAPTER 2 – RISK FACTORS

Section 2.3 SPECIFIC RISKS RELATED TO THE TARGET FUNDS
Pages 13 - 15 of the Replacement Master Information Memorandum
Pages 2 of the Second Supplemental Master Information Memorandum

The specific risks for FTIF-FUSOF, FTIF-TASCF and FTIF-TGTRF are deleted in their entirety and replaced with the following:

Target Funds	Risk Considerations
FTIF-FUSOF	• Class Hedging risk • Convertible and Hybrid Securities risk • Counterparty risk • Equity risk • Growth Stocks risk • Liquidity risk • Market risk • Securities Lending risk • Single Country risk • Smaller and Midsize Companies risk • Warrants risk
FTIF-TASCF	• China QFII risk • Chinese Market risk • Counterparty risk • Emerging Markets risk • Equity risk • Foreign Currency risk • Frontier Markets risk • Liquidity risk • Market risk • Participatory Notes risk • Regional Market risk • Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect risk • Smaller and Midsize Companies risk • Value Stocks risk

FTIF-TGTRF	• China Bond Connect risk • Chinese Market risk • Class Hedging risk • Convertible and Hybrid Securities risk • Counterparty risk • Credit risk • Credit-Linked Securities risk • Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk • Environmental, Social and Governance Investment risk • Europe and Eurozone risk • Foreign Currency risk • Liquidity risk • Market risk • Securitisation risk • Structured Notes risk • Swap Agreements risk

Section 2.3 SPECIFIC RISKS RELATED TO THE TARGET FUNDS
Section 2.3.2 RISK CONSIDERATIONS
Pages 15 - 34 of the Replacement Master Information Memorandum

1. The third paragraph under the write-up relating to "China Bond Connect Risk" is hereby deleted and replaced with the new first paragraph as follows:

   "CIBM securities traded via the Bond Connect can be subject to risks including but not limited to risk of default from counterparties, settlement risk, liquidity risk, operational risk, regulatory risks, PRC tax risk and reputational risk."

2. The following write-up relating to "China QFII risk" is hereby added immediately after "Chinese Market Risk":

   "**China QFII Risk**

   The Company may invest in China A-Shares either through a qualified foreign institutional investor ("QFII") portfolios or directly through the QFII quota granted to a portfolio manager or sub-manager. Such QFII schemes are authorised by the China Securities Regulatory Commission of Mainland China thus permitting investments in the securities market of Mainland China (China A-Shares). The laws, regulations, including measures allowing QFIIs to invest in China A-Shares, government policies and political and economic climate in China may change with little or no advance notice. Any such change could adversely affect market conditions and the performance of the Chinese economy and, thus, the value of China A-Shares.

   The redemption of the China A-Shares may depend, inter alia, on the Mainland China laws and practice affecting Investor's ability to liquidate investments and to remit the proceeds thereof out of Mainland China. The repatriation restrictions, and any failure or delay in obtaining relevant approvals from Chinese authorities could restrict the relevant portfolio's ability to satisfy all or any redemption requests in respect of any particular redemption date.

   Investors in a Fund investing in QFII's portfolio and/or China A-Shares should in particular be informed that the liquidity of securities held by the Fund may be substantially limited and might therefore affect the Fund's ability to meet redemption requests."

3. The following paragraph relating to “Chinese Market Risk” is hereby added immediately after the last paragraph under the write-up relating to “Chinese Market Risk”:

   “There are also risk and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realized on the Fund’s investment in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund’s value.”

4. The write-up relating to “Debt Securities Risk” is hereby deleted and replaced as follows:

   “**Debt Securities Risk**

   All Funds that invest in debt securities or Money Market Instruments are subject to interest rate risk, credit risk, default risk and may be exposed to specific risks including but not limited to sovereign risk, high yield securities risk, restructuring risk and risk related to the use of credit ratings.

   A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

   Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities.

   Some Funds may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). These Funds may buy defaulted debt securities if, in the opinion of the Investment Manager and/or the Investment Co-Managers, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

   Sovereign debt securities can be subject to risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt. There are generally no bankruptcy proceedings for sovereign debt. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. In the event of a default on sovereign debt, a Fund may have limited legal recourse against the defaulting government entity.

   Funds may invest in Sovereign Debt issued by governments or government-related entities from countries referred to as Emerging Markets or Frontier Markets, which bear additional risks compared to more developed markets due to such factors as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

   Some Funds may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality (“high-yield debt instruments” or “junk bonds”) involve greater risk of loss, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally less liquid and their prices fluctuate more than higher-quality securities.

   Some Funds may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations (including those involving bankruptcy). Such corporate events could be disruptive to the business and management structure of the companies involved, which may expose the Funds to higher investment risk.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Fund's investments or investment process.

Debt securities are subject to prepayment risk when the issuer can "call" the security, or repay principal, in whole or in part, prior to the security's maturity. When a Fund reinvests the prepayments of principal it receives, it may receive a rate of interest that is lower than the rate on the existing security, potentially lowering the Fund's income, yield and its distributions to shareholders. Securities subject to prepayment may offer less potential for gains during a declining interest rate environment and have greater price volatility. Prepayment risk is greater in periods of falling interest rates."

5. The following write-up relating to "Environmental, Social and Governance Investment Risk" is hereby added immediately after "Emerging Markets Risk":

"**Environmental, Social and Governance Investment Risk**

Since Environmental, Social and Governance ("ESG") investments are selected for reasons including nonfinancial, the Fund may underperform its broader reference market or other funds that do not utilise ESG criteria when selecting investments and/or could cause the Fund to sell for ESG related concerns assets that both are performing and subsequently perform well. ESG investing is to a degree subjective and there is no guarantee that all investments made by the Fund will reflect the beliefs or values of any particular investor."

6. The write-up relating to "Market Risk" is hereby deleted and replaced as follows:

"**Market Risk**

The market values of securities owned by a Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer or a particular industry or sector, such as changes in production costs and competitive conditions within an industry or a specific country. Unexpected events such as natural or environmental disasters (earthquakes, fires, floods, hurricanes, tsunamis) and other severe weather-related phenomena generally, or widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies of individual companies, sectors, industries, nations, markets and adversely impacting currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. Given the interdependence among global economies and markets, conditions in one country, market, or region are likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Fund's ability to achieve its investment objective.

During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities held by a Fund will participate in or otherwise benefit from the advance."

C. CHAPTER 4 – INFORMATION ON THE TARGET FUNDS

Section 4.8 INVESTMENT POLICIES AND STRATEGIES OF THE TARGET FUNDS
Section 4.8.1 FITF-TGTRF
Pages 51 of the Replacement Master Information Memorandum
Page 8 - 10 of the Second Supplemental Master Information Memorandum

The third paragraph of write-up under this section is hereby deleted and replaced with the new third paragraph as follows:

> "The Fund may also utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be either dealt on Regulated Markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps, interest rate swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. The Fund may also purchase mortgage and asset-backed securities and convertible bonds. The Fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct). The Fund may hold up to 10% of its net assets in securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs. The Fund may also participate in mortgage dollar roll transactions."

The following paragraph relating to "Chinese Market Risk" is hereby added immediately after the last paragraph under the write-up relating to "Chinese Market Risk":

> "**Exposure to total return swaps**
> The expected level of exposure that could be subject to total return swaps (unfunded) amounts to 5% of the Fund's net assets, subject to a maximum of 10%."

Section 4.8 INVESTMENT POLICIES AND STRATEGIES OF THE TARGET FUNDS
Section 4.8.4 FITF-TASCF
Pages 52 of the Replacement Master Information Memorandum

The write-up under this section is hereby deleted in its entirety and replaced with the following:

> "The Fund invests primarily in transferable equity securities as well as depository receipts of small-cap companies (i) which are incorporated in the Asia region, and/or (ii) which have their principal business activities in the Asia region. The Asia Region includes but is not limited to the following countries: Bangladesh, Cambodia, Hong Kong, India, Indonesia, Korea, Malaysia, Mainland China, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam. Furthermore, for the purpose of the Fund's investment objective, Asian small-cap companies are those having a market capitalisation at the time of initial purchase within the range of the market capitalisations of companies included in the MSCI AC Asia ex-Japan Small Cap Index (Index). Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Fund.
>
> In addition, since the investment objective is more likely to be achieved through an investment policy which is flexible and adaptable, the Fund may also invest in participatory notes and other types of transferable securities, including equity and fixed

income securities of issuers worldwide. The Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs.

The Fund may invest up to 20% of its net assets in aggregate in China A-Shares (through Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect, through qualified foreign institutional investor ("QFII") portfolios, UCIs and/or any permissible means available to the Fund under prevailing laws and regulations) and in China B-Shares."

Section 4.12 BASES FOR VALUATION AND VALUATION OF THE TARGET FUNDS
Section 4.12.3 SWING PRICING ADJUSTMENT
Pages 69 of the Replacement Master Information Memorandum

The write-up under this section is hereby deleted in its entirety and replaced with the following:

"A Target Fund may suffer reduction of the Net Asset Value per Share due to Investors purchasing, selling and/or switching in and out of the Target Fund at a price that does not reflect the dealing costs associated with this Target Fund's portfolio trades undertaken by the Investment Manager of the Target Fund to accommodate cash inflows or outflows.

To counter this dilution impact and to protect Shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

The Target Fund operates a swing pricing mechanism which is applied when the total capital activity (aggregate of inflows and outflows) at a Target Fund level exceeds a pre-determined threshold, as determined as a percentage of the net assets of that Target Fund for the Valuation Day. Target Funds can operate a full swing pricing mechanism where the threshold is set to zero or a partial swing pricing mechanism where the threshold is greater than zero.

Typically, such adjustment will increase the Net Asset Value per Share when there are net inflows into the Target Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share class in a Target Fund will be calculated separately but any adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share class in a Target Fund identically. Swing pricing does not address the specific circumstances of each individual investor transaction.

The adjustments will seek to reflect the anticipated prices at which the Target Fund will be buying and selling assets as well as estimated transaction costs.

Investors are advised that the volatility of the Target Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Fund.

The swing pricing mechanism may be applied across all Target Funds of the Company. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from Target Fund to Target Fund and under normal conditions will not exceed 2% of the original Net Asset Value per Share. The Board of Directors of the Company can approve an increase of this limit in case of exceptional circumstances, unusually large Shareholders trading activities, and if it is deemed to be in the best interest of Shareholders.

The management company of the Target Funds mandates authority to the Swing Pricing Oversight Committee to implement and on a periodic basis review, the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

The price adjustment is available on request from the management company at its registered office.

On certain share classes, the management company of the Target Funds may be entitled to a performance fee, where applicable, this will be based on the unswung Net Asset Value.

Additional information on swing pricing can be found at:
https://www.franklintempleton.lu/investor/resources/investor-tools/swing-pricing."

FRANKLIN TEMPLETON
INVESTMENTS

Replacement Master
Information Memorandum
16 April 2018

Templeton Global Total Return Fund
Franklin U.S. Opportunities Fund
Templeton Global Equity Fund
Templeton Asian Smaller Companies Fund
Templeton Global Balanced Fund

REPLACEMENT MASTER INFORMATION MEMORANDUM

IN RESPECT OF THE

TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND, AND TEMPLETON GLOBAL BALANCED FUND

This Replacement Master Information Memorandum is dated 16 April 2018.

Manager:
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
(Company No. 833780-A)

Trustee:
Deutsche Trustees Malaysia Berhad
(Company No. 763590-H)

This Replacement Master Information Memorandum supersedes:

1. The Information Memorandum in respect of Templeton Global Total Return Fund dated 14 November 2012 as amended by supplemental information memoranda;

2. The Information Memorandum in respect of Franklin U.S. Opportunities Fund dated 8 May 2013 as amended by supplemental information memoranda; and

3. The Master Information Memorandum in respect of Templeton Asian Growth Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund dated 13 April 2015 as amended by supplemental information memoranda.

Name of Funds	**Date of Constitution**
Templeton Global Total Return Fund	14 November 2012
Franklin U.S. Opportunities Fund	8 May 2013
Templeton Global Equity Fund	13 April 2015
Templeton Asian Smaller Companies Fund	7 October 2015
Templeton Global Balanced Fund	5 May 2015

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS REPLACEMENT MASTER INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 10.

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Replacement Master Information Memorandum has been seen and approved by the directors of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has authorized the *Templeton Global Total Return Fund, Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund,* ("the Funds"), the subjects of this Replacement Master Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and takes no responsibility for the contents of this Replacement Master Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Replacement Master Information Memorandum.

ADDITIONAL INFORMATION

This Replacement Master Information Memorandum supersedes the following Information Memoranda:

FUNDS	INFORMATION MEMORANDA
Templeton Global Total Return Fund	The Information Memorandum dated 14 November 2012 as amended by the Supplemental Information Memorandum dated 14 November 2012, the Second Supplemental Information Memorandum dated 8 May 2013, the Third Supplemental Information Memorandum dated 2 December 2013, the Fourth Supplemental Information Memorandum dated 17 February 2014, the Fifth Supplemental Information Memorandum dated 1 April 2015, the Sixth Supplemental Information Memorandum dated 1 July 2016, the Seventh Supplemental Information Memorandum dated 31 March 2017 and the Eighth Supplemental Information Memorandum dated 2 October 2017.
Franklin U.S. Opportunities Fund	The Information Memorandum dated 8 May 2013 as amended by the Supplemental Information Memorandum dated 8 May 2013, the Second Supplemental Information Memorandum dated 2 December 2013, the Third Supplemental Information Memorandum dated 17 February 2014, the Fourth Supplemental Information Memorandum dated 1 April 2015, the Fifth Supplemental Information Memorandum dated 1 July 2016, the Sixth Supplemental Information Memorandum dated 31 March 2017 and the Seventh Supplemental Information Memorandum dated 2 October 2017.
Templeton Asian Growth Fund Templeton Global Equity Fund Templeton Asian Smaller Companies Fund Templeton Global Balanced Fund	The Master Information Memorandum dated 13 April 2015 as amended by the the Supplemental Master Information Memorandum dated 5 May 2015, the Second Supplemental Master Information Memorandum dated 21 September 2015, the Third Supplemental Master Information Memorandum dated 7 October 2015, the Fourth Supplemental Master Information Memorandum dated 1 June 2016, the Fifth Supplemental Master Information Memorandum dated 31 March 2017 And the Sixth Supplemental Information Memorandum dated 2 October 2017.

This Replacement Master Information Memorandum does not contain any information relating to the Templeton Asian Growth Fund and Templeton Asian Bond Fund as units of the Templeton Asian Growth Fund and the Templeton Asian Bond Fund are no longer being sold with effect from 6 February 2018 and 29 March 2018 respectively.

If the investment strategy of a Fund employs leverage, potential investors are warned that the use of leverage can magnify the impact of investment risks in the Fund.

Investors are advised to read this Replacement Master Information Memorandum and obtain professional advice before subscribing to the Funds.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in this Replacement Master Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Replacement Master Information Memorandum or the conduct of any other person in relation to the Funds.

This Replacement Master Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia (‘Foreign Jurisdiction’). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Funds to which this Replacement Master Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The Funds are not registered in the United States of America under the Investment Company Act of 1940. The Units of the Funds have not been registered in the United States of America under the Securities Act of 1933. The Units of the Funds made available under this Replacement Master Information Memorandum may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of residents thereof, unless pursuant to an exemption from registration requirements available under U.S. law, any applicable statute, rule or interpretation.

The term “U.S. Person” and “U.S. Persons” shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

U.S. Persons are not eligible to invest in the Funds. Prospective investors shall be required to declare that they are not a U.S. Person and are not applying for Units on behalf of any U.S. Person. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. has the right to reject any application for Units if it has reasonable grounds to believe that any applicant is a U.S. Person or if any applicant is seeking to purchase Units on behalf of a U.S. Person. In the absence of written notice to Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. to the contrary, if a potential investor provides a non-U.S. address on the application form for investment in the Funds, this will be deemed to be representation and warranty from such investor that he/she/it is not a U.S. Person and that such investor will continue to be a non-U.S. Person so long as such investor holds any Unit of the Funds.

The Manager and/or its delegates will restrict or prevent the ownership of Units by any U.S. Person and/or any person, firm or corporate body if in the opinion of the Manager and/or its delegates, such holding may be detrimental to the Funds, Unit Holders, the Manager and/or its delegates or may result in a breach of any applicable law or regulation whether in Malaysia or in a foreign jurisdiction or may expose the Funds or the Unit Holders to liabilities (to include, amongst other things, regulatory or tax liabilities and any other tax liabilities that might derive, amongst other things, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including U.S. Persons and/or persons in breach of FATCA requirements) are herein referred to as "Prohibited Persons".

More specifically, the Manager shall have the power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by any Prohibited Person and may:

1) decline to issue any Units and decline to register any transfer of Units, where it appears to it that such issuance or transfer would or might result in beneficial ownership of such Units by a Prohibited Person;

2) at any time, require any person whose name is entered in the register of Unit Holders or any person seeking to transfer his/her/its Units to furnish the Manager with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Units held by the Unit Holders rests or will rest in a Prohibited Person, or whether the transfer of Units will result in beneficial ownership of such Units by a Prohibited Person;

3) where it appears to the Manager that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Manager may require, may compulsorily redeem from any such Unit Holder all or part of the Units held by such Unit Holder; and

4) decline to accept the vote of any Prohibited Person at any meeting of Unit Holders of the Funds.

The Funds are not registered in any provincial or territorial jurisdiction in Canada and Units of the Funds have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Units made available under this Replacement Master Information Memorandum may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof, unless such Canadian resident is, and will remain at all times during their investment, a "permitted client" as that term is defined in Canadian securities legislation. Prospective investors may be required to declare that they are not a Canadian resident and are not applying for Units on behalf of any Canadian resident. If an investor becomes a Canadian resident after purchasing Units of the Funds, the investor will not be able to purchase any additional Units of the Funds.

Notice on Personal Data Protection

For the purposes of the notice below, the term "personal data" shall have the same meaning prescribed in the Personal Data Protection Act 2010 ("the PDPA") and the term "processed" shall have the same meaning as "processing" as prescribed in the PDPA.

All personal data of investors contained in the investment application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related companies of the Manager, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account administration, development of business relationships, anti-money laundering requirements and counter-terrorist financing identification, tax identification (including for the purpose of compliance with FATCA or similar laws and regulations (e.g. on OECD level)), processing of transaction(s) and/or any other general business purposes (including direct marketing and promotion of the Manager's other products and services unless the Manager has been informed by the investor not to process his/her personal data for direct marketing and promotion) by the Manager.

The investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete. Please refer to the investment application form for further details on the personal data protection requirements.

The Manager and/or its delegates, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons and/or non-participant Foreign Financial Institutions (as defined in FATCA) to the Malaysian tax authorities which may transfer them, if any, to the Internal Revenue

Service in the United States of America. Data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to the applicable legal minimum retention periods.

Automatic Exchange of Account Information

On 27 January 2016, Malaysia signed the Multilateral Competent Authority Agreement ("MCAA") on the implementation of the global standard for automatic exchange of financial account information. By signing the MCAA, Malaysia has agreed to implement regulations to enable the adoption of automatic exchange of information with other signatory countries. The first exchange of information is anticipated to take place in 2018, in relation to accounts held in the 2017 calendar year.

Investors are hereby notified that the Funds and/or the Manager may be required under Malaysia laws and regulations to report details of specified accounts of account holders resident in other MCAA signatory jurisdictions. The Malaysian tax authorities may share such account data in accordance with the MCAA with the tax authorities of other MCAA signatory jurisdictions where the account holder is tax resident. The information which may be reported includes the reportable person or entity's name, address, tax identification number, date and place of birth (for an individual), account balance and the total gross proceeds pair or credited to the account during the relevant reporting period.

When requested to do so by the Funds and/or Manager or its respective agent, in order to meet its obligations under future Malaysian Law adopting the MCAA, Unit Holders must provide certification of their tax residence and status.

CONTENTS

CORPORATE DIRECTORY

Manager

Name:	Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. (Company No. 833780-A)
Registered Office:	Suite 31-02, 31st Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur
Business Address:	Suite 31-02, 31st Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur
Telephone number:	03-2264 6688
Facsimile number:	03-2145 9071
Website address:	www.franklintempleton.com.my

Trustee

Name:	Deutsche Trustees Malaysia Berhad (Company No. 763590-H)
Registered Office and Business Address:	Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur
Telephone number:	03-2053 7522
Facsimile number:	03-2053 7526

DEFINITIONS

Act or CMSA	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
Authorised Distributors	Means IUTA and CUTA that may be appointed by the Manager to market and distribute the Funds.
Base Currency	Means the base currency of the Funds, i.e. Ringgit Malaysia.
BNM	Means Bank Negara Malaysia.
Bursa Malaysia	Is the stock exchange managed and operated by Bursa Malaysia Securities Berhad.
Business Day	In respect of the Funds, means a day on which Bursa Malaysia is open for trading. The Manager may declare certain Business Days as non-Business Days if it is not a dealing day* in the country of domicile of the Target Funds. *Note: Dealing day has the same meaning as ascribed to it in the Target Funds' prospectuses and shall mean any valuation day (*any day on which the New York Stock Exchange is open or any full day on which banks in Luxembourg are open for normal business, other than during a suspension of normal dealing*) that is also a business day.
class of Units	Means any class of Units representing similar interests in the assets of a particular Fund although a class of Units may have different features from another class of Units.
Class A (MYR)	Refers to the class of Units of a particular Fund which are denominated in RM, which is targeted at Sophisticated Investors.
Class A (USD)	Refers to the class of Units of a particular Fund which are denominated in USD, which is targeted at Sophisticated Investors.
Class I (MYR)	Refers to the class of Units of a particular Fund which are denominated in RM, which is targeted at institutional investors who are Sophisticated Investors. *Note: The Manager may reject any application for Units of Class I (MYR) without providing any reason.*
Commitment Approach	An approach for measuring risk or Global Exposure that factors in the market risk of the investments held in a UCITS sub-fund, including risk associated with any Shariah-compliant financial derivatives instruments held by converting the financial derivatives into equivalent positions in the underlying assets of those derivatives (sometimes referred to as "notional exposure"), after netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions. Global Exposure using the Commitment Approach is expressed as an absolute

	percentage of total net assets. Under Luxembourg law, global exposure related solely to financial derivatives may not exceed 100% of total net assets, and global exposure overall (including market risk associated with the sub-funds' underlying investments, which by definition make up 100% of total net assets) may not exceed 200% of total net assets (excluding the 10% that a UCITS may borrow on a temporary basis for short-term liquidity). Note: *Please note that the Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund, are currently using the Commitment Approach to measure Global Exposure.* *Please note that the Templeton Global Total Return Fund uses the VaR approach to measure Global Exposure.*
The Company	Means the Franklin Templeton Investment Funds which is a public limited liability company (*Société anonyme)* incorporated under the laws of the Grand Duchy of Luxembourg and qualifies as a SICAV.
CSSF	Refers to Commission de Surveillance du Secteur Financier – the regulatory and supervisory authority of the Company in Luxembourg.
CUTA	Means the corporate unit trust adviser registered with FIMM.
Deed	Refers to the deeds dated as follows, all of which have been entered into between the Manager and the Trustee (referred to individually or collectively, as the case may be), and any other supplemental deeds that may be entered into between the Manager and the Trustee in respect of each Fund:

FUNDS	DEEDS
TGTRF	The Deed dated 23 May 2012, the Supplemental Deed dated 2 December 2013 and the Second Supplemental Deed dated 31 March 2015.
FUSOF	The Deed dated 23 May 2012, the Supplemental Deed dated 2 December 2013 and the Second Supplemental Deed dated 31 March 2015.
TGEF	The Deed dated 3 April 2015.
TASCF	The Deed dated 3 April 2015.
TGBF	The Deed dated 3 April 2015.

Emerging Markets	Means countries whose economy, stock market, political situation and regulatory framework are not fully developed.
EU Member	Refers to European Union Member.
Eurozone	Means all countries within the European Union that participate in European Monetary Union and utilize the Euro currency as their common national currency.

FATCA	Foreign Account Tax Compliance Act, United States of America.
feeder fund	Means a fund which invests all or substantially all of its assets in a single collective investment scheme.
FCM	Futures Commission Merchant, an individual or organization which does both of the following: 1) solicits or accepts offers to buy or sell futures contracts, options on futures, off exchange foreign exchange contracts or swaps, and 2) accepts money or other assets from customers to support such orders.
FFI	Foreign Financial Institution, as defined in FATCA.
FIMM	Federation of Investment Managers Malaysia.
financial institution	Means, (a) if the institution is in Malaysia: (i) licensed bank; (ii) licensed merchant bank; or (iii) Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed / registered / approved / authorised to provide financial services by the relevant banking regulator.
Financial Year	The period of 12 months ending on the 30th day of September of every calendar year.
Funds	Means the TGTRF, FUSOF, TGEF, TASCF and TGBF, which are Wholesale Funds that are structured as feeder funds and the subject of this Replacement Master Information Memorandum; each referred to individually as "Fund" and referred to collectively as "Funds".
FUSOF	Means the Franklin U.S. Opportunities Fund.
Global Exposure	Refers to a measure of the risk exposure for the Target Funds that factors in the market risk exposure of underlying investments, as well as the incremental market risk exposure and implied leverage associated with financial derivative instruments if and where held in the portfolio. Under Luxembourg regulation, UCITS are required to measure such risk exposure using either a "Commitment Approach" or a "Value-at-Risk (VaR) Approach". Note: *Please note that the Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund, are currently using the Commitment Approach to measure Global Exposure.* *Please note that the Templeton Global Total Return Fund uses the VaR approach to measure Global Exposure.*
GST	Means goods and services tax and includes any goods and services tax that is charged or levied in accordance with the Goods and Services Tax Act 2014.

Guidelines	Means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia as may be amended from time to time.
Initial Offer Period	Means the period when an investor may purchase Units of a Fund at the Initial Offer Price. In respect of a class of Units, means the period described as such for that class of Units in the Information Memorandum or supplemental Information Memorandum as the case may be; during this period, Units are created, cancelled, sold and redeemed at a fixed NAV per Unit.
Initial Offer Price	Means the fixed price at which Units are offered to investors during the Initial Offer Period.
Investment Manager of the Target Fund	Refers to: (a) Franklin Advisers, Inc. for the TGTRF and FUSOF; (b) Templeton Asset Management Ltd for the Franklin Templeton Investment Funds-Templeton Asian Smaller Companies Fund; (c) Templeton Global Advisors Limited for the Franklin Templeton Investment Funds-Templeton Global Fund; and (d) Franklin Templeton Investment Management Limited and Franklin Advisers, Inc. for the Franklin Templeton Investment Funds-Templeton Global Balanced Fund; each referred to individually as “Investment Manager of the Target Fund” and referred to collectively as “Investment Managers of the Target Funds”.
Islamic bank	Means a bank licensed under the Islamic Financial Services Act 2013.
IUTA	Means institutional unit trust advisers registered with FIMM.
Launch Date	Means the date on which sales of Units of the Funds may first be made, as follows: **Name of Funds** — **Launch Dates** Templeton Global Total Return Fund — 14 November 2012 Franklin U.S. Opportunities Fund — 8 May 2013 Templeton Global Equity Fund — 13 April 2015 Templeton Asian Smaller Companies Fund — 7 October 2015 Templeton Global Balanced Fund — 5 May 2015 The Launch Date is also the date of constitution of the Funds.
Law of 17 December 2010	Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
licensed bank	Has the same meaning as prescribed under the Financial Services Act 2013.
licensed investment bank	Has the same meaning as prescribed under the Financial Services Act 2013.

Long-term	A period of more than five years.
Manager	Refers to Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
management company of the Target Funds	Refers to Franklin Templeton International Services S.à r.l.
Management Fee	A percentage of the NAV of the Fund that is paid to the Manager for managing the Fund.
midsized companies	Refers to companies with market capitalization between USD$2 billion and USD$10 billion.
MYR Class	Refers to a class of Units of the Fund which is denominated in RM.
Net Asset Value or NAV	Means the value of all the assets of a Fund less the value of all the liabilities of that Fund at a valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of a Fund is inclusive of the management fee and trustee fee for the relevant day; where a Fund has more than one class of Units, there shall be a Net Asset Value of the Fund attributable to each class of Units.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point; where the Fund has more than one class of Units, there shall be a Net Asset Value per Unit for each class of Units; the Net Asset Value per Unit of a class of Units at a particular valuation point shall be the Net Asset Value of the Fund attributable to that class of Units divided by the number of Units in circulation for that class of Units at the same valuation point.
OECD	Refers to Organisation for Economic Cooperation and Development.
primarily or principally	When a Target Fund's investment policy states that investments will be made primarily or principally in a particular type of security or in a particular country, region or industry, it generally means that at least two-thirds of this Target Fund's net assets (without taking into account ancillary liquid assets) shall be invested into such security, country, region or industry.
Sophisticated Investor	Means any person who comes within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA.
Redemption Charge	Means a fee payable pursuant to a redemption request.
Redemption Price	Means the price at which Units will be redeemed by a Unit Holder pursuant to a redemption request. *The Redemption Price is equivalent to the Initial Offer Price during the Initial Offer Period and the NAV per Unit after the Initial Offer Period. As such, any Redemption Charge, if applicable, is excluded from the calculation of the Redemption Price.*
relevant laws	Means laws, rules, regulations, guidelines, directives, circulars, guidance notes and investment management standards passed or issued by any relevant authority relating to or connected with the fund management industry in Malaysia.

Replacement Master Information Memorandum	Means this document, and includes any supplemental or replacement master information memoranda.
RM or MYR	Means Ringgit Malaysia, the lawful currency of Malaysia.
Sales Charge	Means a fee payable pursuant to an application for purchase of Units.
Securities Commission or SC	Means the Securities Commission Malaysia established under the Securities Commission Act 1993.
Selling Price	Means the price at which Units will be sold to a Unit Holder pursuant to an application for purchase of Units. *The Selling Price is equivalent to the Initial Offer Price during the Initial Offer Period and the NAV per Unit after the Initial Offer Period. As such, any Sales Charge applicable is excluded from the calculation of the Selling Price.*
Share	Means a share of the Target Fund in the capital of the Company.
Shareholder	Means the holder of one or more Shares of any class and any category of any sub-fund in the capital of the Company.
Short term	A period of less than one year.
SICAV	Refers to Société d'Investissement à Capital Variable.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed(s) by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting in person or by proxy" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund or a class of Units, **"Special Resolution"** means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed(s) by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
the Target Fund	Means the Franklin Templeton Investment Funds - Templeton Global Total Return Fund for the TGTRF, the Franklin Templeton Investment Funds - Franklin U.S. Opportunities Fund for the FUSOF, the Franklin Templeton Investment Funds-Templeton Global Fund for the TGEF, the Franklin Templeton Investment Funds-Templeton Asian Smaller Companies Fund for the TASCF and the Franklin Templeton Investment Funds-Templeton Global Balanced Fund for the TGBF, each referred to individually as the "Target Fund" and collectively referred to as the "Target Funds".
TASCF	Means the Templeton Asian Smaller Companies Fund.
TGBF	Means the Templeton Global Balanced Fund. *A balanced fund is a fund that aims to invest in equity securities and fixed income instruments according to a ratio, with allowances for rebalancing, and asset appreciation or depreciation. Templeton Global Balanced Fund will typically invest 65% of its net assets in*

	equity and equity-linked securities and 35% of its net assets in fixed income securities and liquid assets, with a permitted deviation of up to 5% of its net assets from this allocation.
TGEF	Means the Templeton Global Equity Fund.
TGTRF	Means the Templeton Global Total Return Fund.
Trustee	Refers to Deutsche Trustees Malaysia Berhad.
Trustee Fee	A percentage of the NAV of a Fund that is paid to the Trustee for acting as the trustee for the Fund.
UCI	Means an undertaking for collective investment within the meaning of Article 1, paragraph (2) point a) and b) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 (as amended).
UCITS	Means an Undertaking for Collective Investment in Transferable Securities authorised according to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 (as amended).
Unit	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the right or interest of a Unit Holder in the Fund and means a Unit of the Fund; if the Fund has more than one class of Units, it means a Unit issued for each class of Units.
Unit Holder	Refers to a Sophisticated Investor registered pursuant to the Deed as the holder of Units including persons jointly registered.
US	Means the United States of America.
US$ or USD	Means United States Dollar, the lawful currency of the United States of America.
USD Class	Refers to a class of Units of the Fund which is denominated in USD.
Valuation Day	means any day on which the New York Exchange (NYSE) is open or any full day on which banks in Luxembourg are open for normal business (other than during a suspension of normal dealing.
Value-at-Risk (VaR)	An approach for measuring risk or Global Exposure based on Value-at-Risk or VaR, which is a measure of the maximum potential loss that can arise at a given confidence level over a specific time period under normal market conditions. VaR may be expressed in absolute terms as a currency amount specific to a portfolio, or as a percentage when the currency amount is divided by total net assets. VaR may also be expressed in relative terms, where the VaR of the Target Fund (expressed in percentage terms) is divided by the VaR of its relevant benchmark (also expressed in percentage terms), generating a ratio known as relative VaR. Under Luxembourg law absolute VaR limits are currently 20% of total net assets of the Target Fund and relative VaR limits are currently twice or 200% of the benchmark VaR. Note: *Please note that the Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller*

	Companies Fund and Templeton Global Balanced Fund, are currently using the Commitment Approach to measure Global Exposure. *Please note that the Templeton Global Total Return Fund uses the VaR approach to measure Global Exposure.*
Wholesale Fund	Means a unit trust scheme, the units of which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase of units have been made, exclusively to Sophisticated Investors.

General Words and Expressions
In this Replacement Master Information Memorandum, unless the context otherwise requires, words importing the singular shall include the plural and vice-versa.

References to any law, rules, guidelines or orders shall include such law, rules, guidelines or orders as may be amended from time to time.

CHAPTER 2: RISK FACTORS

The Manager encourages Unit Holders to give careful consideration to the risks associated when investing in the Funds and, accordingly, to obtain independent financial and taxation advice before investing in the Funds.

2.1 GENERAL RISKS OF INVESTING IN THE FUNDS

Below are some of the ***general risks*** *which Unit Holders should be aware of when investing in the Funds:*

Fund management risk

The performance of a collective investment scheme depends on the experience, knowledge and expertise of the Manager. Any error in the investment techniques and processes adopted by the Manager may have an adverse impact on the Fund's performance. The Manager seeks to mitigate this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

Each Fund is a feeder fund, denominated in Ringgit Malaysia, that invests substantially all of its assets in the respective Target Funds, which are each registered in Luxembourg and are denominated in USD. The Manager of the Fund will be employing currency hedging techniques to hedge the investment in the Target Fund, so as to mitigate the impact of foreign exchange fluctuations between Ringgit Malaysia and the USD, allowing the Fund to track the performance of the USD denominated Target Fund as closely as possible. There is a risk that the Manager may not be able to successfully hedge the currency risk associated with the Fund's investment in the Target Fund. This risk is mitigated by careful oversight, knowledge and expertise of the Manager with regard to accounting for the investment in the Target Fund by the Fund so as to accurately determine the amount of currency hedging needed to mitigate the exchange rate risk in the underlying investment in the Target Fund.

There is also a risk that the Investment Manager of the Target Fund may not adhere to the investment mandate of the Target Fund. Although it is the intention of the Investment Manager of the Target Fund to adhere to the investment mandate of the Target Fund, there is a risk that the Investment Manager of the Target Fund may not be able to do that due to an oversight on the part of the Investment Manager of the Target Fund. This risk is mitigated by the Investment Manager of the Target Fund as follows:

- adherence to internal policies and procedures on investment limits and restrictions;
- monitoring by the Performance Analysis and Investment Risk (PAIR) and Global Investment Adviser Compliance (GIAC) teams; and
- regular reporting to the senior management team and the board of directors of the Investment Manager of the Target Fund.

Inflation risk

Inflation rate risk is the risk of potential loss in the purchasing power of investment due to a general increase of consumer prices. Inflation erodes the nominal rate of return giving a lower real rate of return. Inflation is thus one of the major risks over the long term that could also impact the short term in the event of a sudden shock such as a spike in oil prices, resulting in uncertainty over the future value of investments. Unit Holders are advised to take note that the Funds are not designed with the objective of matching the inflation rate of Malaysia.

Market Risk

Market risk arises because of factors that affect the market overall, and particularly the focus of the Target Fund's investments, which for this Fund will be fixed or floating rate debt securities issued by governments, government-related issuers, or corporate entities worldwide. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses or governments and their related entities, which in turn may impact the market value of their debt obligations positively or negatively. The Fund will be exposed to market uncertainties associated with the investments in the Target Fund due to the factors stated above and this in turn will affect the value of the investments in the Fund either in a positive or negative way, depending on how the market value of the underlying debt obligations held in its portfolio are impacted. Investors who purchase Units in the Fund may not get back the full amount that they invested if the Net Asset Value falls below their purchase price due to adverse price movements of the Fund's underlying investments.

Operational risk

This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error (for instance the keying of wrong details), system failure (causing unnecessary downtime) or even fraud (where employees of the Manager collude with one another). Whilst this risk may not necessarily cause monetary loss to the Funds, it will most certainly cause inconvenience to Unit Holders. The Manager will regularly review its internal policies and system capability to mitigate the occurrence of this risk. Additionally, the Manager maintains a strict segregation of duties to minimise occurrence of fraudulent practices amongst employees of the Manager.

Performance risk

The performance of the Funds depends on the investments of each Fund respectively. If the investments of the Funds do not perform in accordance with expectations, there will be a negative impact on the performance of the Funds. This is where the experience and expertise of the Manager is important as highlighted in the fund management risk write-up above. In view of the aforesaid, there is never a guarantee that investing in the Funds will produce the desired investment returns.

Risk of non-compliance

There is a risk that the Manager may not be able to observe the rules governing the Funds. It is the intention of the Manager to observe all rules governing the Funds at all times. However, both external factors (adverse market conditions, natural disasters or political instability) and internal factors (oversight by the portfolio manager, a lapse in the compliance function, or a clerical error) could impact the ability of the Manager to observe rules governing the Funds. Whilst non-compliance with the rules governing the Funds will not necessarily result in losses to the Funds, Unit Holder cannot discount the risk that losses may be suffered by the Funds if the non-compliance with the rules is sufficiently serious.

2.2 SPECIFIC RISKS OF INVESTING IN THE FUNDS

*Below are some of the **specific risks** when investing in the Funds; they may include but are not limited to:*

Class hedging risk

To mitigate the aforesaid currency risk, the Manager will be employing currency hedging overlay strategies for the MYR class of Units to reduce exchange rate fluctuations between the currency of denomination of the class of Units being offered in Malaysia, i.e., Ringgit Malaysia, and the base currency of the Target Funds, i.e., the USD. As the MYR class of Units is exposed to exchange rate movements between Ringgit Malaysia and the USD, if Ringgit Malaysia strengthens against the USD, the investment of holders in the MYR class of Units may face currency loss in addition to any capital gains or losses upon redemption of those Units. The Manager seeks to mitigate the MYR class of Units' exposure to exchange rate movement between Ringgit Malaysia and the USD at the Fund level by selling USD forward contract(s) to purchase Ringgit Malaysia. Once entered into, such contracts are marked to market daily. If Ringgit Malaysia depreciates against the USD, then the USD value of the Fund's investment in the Target Fund is worth more in Ringgit Malaysia terms, but that is offset by a loss on the hedge (since Ringgit Malaysia has depreciated). If Ringgit Malaysia appreciates against the USD, then the USD value of the Fund's investment in the Target Fund is worth less in Ringgit Malaysia terms but that is offset by a gain on the hedge (since Ringgit Malaysia has appreciated). The objective of these hedging strategies will be to allow the performance of the MYR class of Units to closely track the performance of the Target Funds in USD. Factors that could adversely impact the ability of the Manager to achieve this objective (i.e., risks arising from implementing the aforesaid hedging strategies) include the following:

- Transaction costs associated with implementing the hedging strategies.
- Differences in notional amounts employed and the actual value of the position in the Target Funds being hedged. For example, an increase or decrease in the value of a Target Fund's position from one day to another could result in a Fund being slightly under or over hedged, since the hedging position is based on the initial value, before the impact caused by subsequent changes in the market value of the position is known. To mitigate the risk of being over hedged, the overlay hedge applied is targeted to hedge only 97% of the value of the Fund related to the class of Units that is being hedged, within a tolerance of plus or minus 2%. This means that there will be a small difference between the notional value of the hedge and the value of the assets being hedged. In addition, subscriptions and redemptions from one day to another could impact, to the extent that such cash flows force a change in the position size of the Target Fund, the USD amount that needs to be hedged, causing the Fund to be under or over hedged. This is again because the hedging position is entered into before the amount of redemptions or subscriptions that come in the following day are known.

The Manager will be employing licensed onshore banks to perform the currency hedging transactions, since the Manager is registered domestically with the Securities Commission. The Manager's ability to transact in forward currency transactions in Malaysia is dependent on the ability of such licensed onshore banks meeting the Manager's standards of financial strength and credit quality as suitable counterparties. Presently, there is only one approved counterparty that the Manager may use. This presents a risk to Unit Holders in that, if the one counterparty does not offer a competitive rate for the hedging transactions for a particular Fund or decides not to roll a hedging transaction that comes due, the Fund's ability to provide the hedging arrangement for the MYR class of Units that is being hedged could be impaired or could end, leaving Unit Holders without an effective hedge, or even any hedge, on their investment. This would mean that Unit Holders' investment in the MYR class of Units will no longer closely track the performance of the Target Funds denominated in USD.

For the above reasons, there can be no assurances that the currency hedging strategies employed will achieve the intended objective.

As the Target Fund is denominated in USD and the USD class of Units of the Fund is offered in USD, the Manager does not intend to engage in currency hedging strategies with respect to the USD class of Units.

It should be noted that the currency total return swaps to provide the hedging arrangement for the MYR class of Units are entered into at the level of the Fund, not the class of Units being hedged. As a result, the assets at the Fund level, supporting all classes of Units, are at risk with respect to the hedging arrangements.

Currency risk

The base currency of the Funds is Ringgit Malaysia whereas the Target Funds that the Funds are investing in is USD. For the USD class of Units, NAV of the USD class of Units will be calculated based on the base currency of the Funds which is Ringgit Malaysia. The USD class of Units is exposed to exchange rate movements between the Ringgit Malaysia and the USD in proportion to the amount of Ringgit Malaysia assets allocated to the USD class (i.e. the percentage that the USD class of Units represents of total net assets). Should the Ringgit Malaysia strengthen against the USD, the investment may face currency loss in addition to any capital gains or losses, which will affect the NAV of the Funds. Similarly, should the Ringgit Malaysia weaken against the USD, the investment may see a currency gain in addition to any capital gain or losses, which will affect the NAV of the Funds. As a result, the performance of the Funds will be affected by movement in the exchange rate between Ringgit Malaysia and the USD. For the MYR class of Units, a hedge arrangement will be applied to mitigate currency risk, but as described more fully in the write-up relating to "Class Hedging Risk", there are no assurances that such hedging arrangements will work as intended.

Foreign country security risk

This risk is associated with investments of the Target Fund which a Fund invests in. The Target Fund invests primarily in securities of companies incorporated or having their principal business activities in various countries. These companies and the securities they issue are therefore exposed to changes or developments in the regulations, political environment, economy and currency regime of those various countries. Forward currency contracts in respect of certain currencies may be subject to restrictions, for example, domestic banks may need to be used instead of foreign banks. There may also be limits in certain countries (e.g., Thailand) on the amount of securities that a foreign domiciled fund (e.g., the Target Fund in Luxembourg) can purchase. There may also be capital controls imposed when removing funds from a particular country. The foreign country security risk inherent in the Target Funds affects the Funds as well, since the Funds are investing in the Target Funds.

Target Funds' fund management risk

Each Fund is a feeder fund which invests nearly all its assets in its designated Target Fund. The performance of each Fund depends on the performance of the respective Target Fund in which it invests. As the investment management function of the Target Fund is conducted by the Investment Manager of the Target Fund, the Manager has no control over the investment technique of the Investment Manager of the Target Fund. In the event of mismanagement of the investments by the Investment Manager of the Target Fund, the NAV of each Fund will be adversely affected as the performance of each Fund is directly related to the performance of its designated Target Fund.

There is also a risk that the Investment Manager of the Target Fund may not adhere to the investment mandate of the Target Fund. Although it is the intention of the Investment Manager of the Target Fund to adhere to the investment mandate of the Target Fund, there is a risk that the Investment Manager of the Target Fund may not be able to do that due to an oversight on the part of the Investment Manager of the Target Fund. This risk is mitigated by the Investment Manager of the Target Fund as follows:

- adherence to internal policies and procedures on investment limits and restrictions;
- monitoring by the Performance Analysis and Investment Risk (PAIR) and Global Investment Adviser Compliance (GIAC) teams of the Franklin Templeton group; and
- regular reporting to the senior management team and the board of directors of the Investment Manager of the Target Fund.

2.3 SPECIFIC RISKS RELATED TO THE TARGET FUNDS

2.3.1 As the Funds are feeder funds, Unit Holders should be aware of the specific risks relating to the corresponding Target Funds, which include the risks set out below. Please refer to Section 2.3.2, "Risk Considerations", for a full description of the risks listed below.

Target Funds	Risk Considerations
FTIF-TGTRF	• Class Hedging risk • Collateralised Debt Obligations risk • Convertible and Hybrid Securities risk • Counterparty risk • Credit risk • Credit-Linked Securities risk • Defaulted Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk • Europe and Eurozone risk • Foreign Currency risk • Interest Rate Securities risk • Liquidity risk

	• Low-Rated or Non-Investment Grade Securities risk • Market risk • Mortgage- and Asset-Backed Securities risk • Mortgage Dollar Roll risk • Sovereign Debt risk • Structured Notes risk • Swap Agreements risk
FTIF-FUSOF	• Class Hedging Risk • Convertible and Hybrid Securities Risk • Counterparty Risk • Equity Risk • Growth Stocks Risk • Liquidity Risk • Market Risk • Single Country Risk • Smaller and Midsize Companies Risk • Warrants Risk
FTIF-TGF	• Chinese Market risk • Convertible and Hybrid Securities risk • Counterparty risk • Emerging Markets risk • Equity risk • Europe and Eurozone risk • Foreign Currency risk • Liquidity risk • Market risk • Securities Lending risk • Value Stocks risk
FTIF-TASCF	• Chinese Market risk • Counterparty risk • Emerging Markets risk • Equity risk • Foreign Currency risk • Frontier Markets risk • Liquidity risk • Market risk • Participatory Notes risk • Regional Market risk • Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect risk • Smaller and Midsize Companies risk • Value Stocks risk
FTIF-TGBF	• Chinese Market risk • Class Hedging risk • Convertible and Hybrid Securities risk • Counterparty risk • Credit risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk • Equity risk • Europe and Eurozone risk

	• Foreign Currency risk • Interest Rate Securities risk • Liquidity risk • Low-Rated or Non-Investment Grade Securities risk • Market risk • Securities Lending risk • Value Stocks risk

2.3.2 RISK CONSIDERATIONS

Chinese Market risk

Risks associated with the Chinese market are similar to the "Emerging markets risk" described in this Replacement Master Information Memorandum. With the government having a greater control over allocation of resources, the risks that naturally prevail in this type of market is political and legal uncertainty, currency fluctuations and blockage, no government support on reform or nationalisation and expropriation of assets. Such risks can have a negative impact on the performance of a Target Fund.

The Chinese market is undergoing economic reform, these reforms of decentralisation are unprecedented or experimental and subject to modification which may not always have a positive outcome on the performance of the economy and then the value of securities in the Target Fund.

The Chinese economy is also export driven and highly reliant on trade. Adverse changes in the economic conditions of its primary trading partners such as the US, Japan and South Korea would adversely impact the Chinese economy and the Target Fund's investments.

Class Hedging Risk

The Company may engage in currency hedging transactions with regard to a certain Share Class (the "Hedged Share Class"). Hedging transactions are designed to reduce, as much as possible, the currency risk for investors.

Any financial instrument used to implement such hedging strategies with respect to one or more classes of Shares in the Target Fund shall be assets and/or liabilities of the Target Fund as a whole, but will be attributable to the relevant class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class of Shares in the Target Fund. Any currency exposure of a class may not be combined with or offset against that of any other class of Shares in the Target Fund. The currency exposure of the assets attributable to a Class may not be allocated to other classes of Shares in the Target Fund. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

There is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of that Target Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

In the case of a net investment flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the Net Asset Value of the Hedged Share Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted.

Investors should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Target Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Hedged Share Class.

This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority.

Investors should be aware that the hedging strategy may substantially limit investors of the relevant Hedged Share Class from benefiting from any potential increase in value of the Share Class expressed in the reference currency(ies), if the Hedged Share Class currency falls against the reference currency(ies). Additionally, investors of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the associated transactions costs of the relevant financial instruments used to implement the hedging strategy. The gains/losses on and the transactions costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

More details as to the rules governing allocation of assets and liabilities at a Class level are contained in Section 4.12.5.

Collateralised Debt Obligations risk

A Target Fund may invest in particular types of asset-backed security known as Collateralised Debt Obligation (CDOs) or (if loans are the underlying asset) Collateralised Loan Obligations (CLOs). The risks of an investment in a CDO or CLO depend largely on the type of collateral held by the special purpose entity (SPE) and the tranche of the CDO or CLO in which the Target Fund invests. In a typical CDO or CLO structure, there are multiple tranches with varying degrees of seniority, with the most senior tranche getting first access to the interest and principal payments from the pool of underlying assets, the next most senior getting second access, and so on down the line until the residual (or equity tranche) which has the last call on the interest and principal. The lower the priority of the tranche is, the greater the risk. Investment risk may also be affected by the performance of the collateral manager (the entity responsible for selecting and managing the pool of collateral securities held by the SPE trust), especially during a period of market volatility. CDOs or CLOs may be deemed to be illiquid securities and subject to the Target Fund's restrictions on investments in illiquid securities. The Target Fund's investment in CDOs or CLOs will not receive the same investor protection as an investment in registered securities. As a result of these factors, prices of CDO or CLO tranches can decline considerably.

In addition to the normal risks associated with debt securities and asset backed securities (e.g., interest rate risk, credit risk and default risk), CDOs and CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or quality or go into default or be downgraded; (iii) the Target Fund may invest in tranches of a CDO or CLO that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer, difficulty in valuing the security or unexpected investment results.

Convertible and Hybrid Securities Risk

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock at a specified conversion price. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

Hybrid securities are those that, like convertible securities described above, combine both debt and equity characteristics. Hybrids may be issued by corporate entities (referred to as corporate hybrids) or by financial institutions (commonly referred as contingent convertible bonds or "CoCos"). Hybrid securities are subordinated instruments that generally fall in the capital structure between equity and other subordinated debt, i.e. such securities will be the most junior securities above equity. Such securities will generally have a long maturity and may even be perpetual in nature. Coupon payments may be discretionary and as such may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments may not amount to an event of default. Hybrid securities are callable at pre-determined levels. It cannot be assumed that hybrid securities, including perpetual securities, will be called on the call date. The investor may not receive return of principal on a given call date or on any date.

Contingent convertible securities issued by financial institutions ("CoCos"), which became popular following the 2008-2009 financial crisis as a way of mitigating the impact of stressed market conditions, have certain additional characteristics not typical of corporate hybrids. For CoCos, conversion is tied to a pre-specified trigger event based on the capital structure of the financial institution and/or to when the regulator deems the bank to be no longer viable. The contingent convertible bond may convert to equity or, alternatively, may be purely loss absorbing and convert to nothing. Trigger levels may differ from one issue to the next and the risk of conversion will depend on the distance of the capital ratio to the trigger level and/or the point at which the regulator deems the issuer no longer viable (i.e. the bonds are "bail-in-able" at the "point of non-viability" or PONV), making it difficult for the Investment Manager and/or Investment Co-Managers of the Target Fund to anticipate the triggering events that would require the debt to convert into equity or be simply loss absorbing. It may also be difficult for the Investment Manager and/or Investment Co-Manager to assess how the securities will behave upon conversion. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased. Whereas traditional convertible securities are convertible at the option of the holder and the holder of such bonds will generally convert when the share price is higher than the strike price (i.e. when the issuer is doing well), CoCos tend to convert when the issuer is in crisis and needs additional equity or loss absorption in order to survive. As a result, there is greater potential for capital loss with CoCos compared to conventional convertible securities. The trigger could be activated through a material loss in capital as represented in the numerator or an increase in risk weighted assets (due to a shift to riskier assets) as measured in the denominator. Unlike for corporate hybrids, cancelled coupon payments do not generally accumulate and are instead written off. Holders of CoCos may see their coupons cancelled while the issuer continues to pay dividends on common equity, unlike the case of corporate hybrids which typically have so-called "dividend pusher/stopper clauses" which link the payment of hybrid coupons to equity dividends. CoCos may suffer from capital structure inversion risk, since investors in such securities may suffer loss of capital when equity holders do not in the event the pre-defined trigger is breached before the regulator deems the issuer non-viable (if the regulator declares non-viability before such a breach, the normal creditor hierarchy should apply). The value of CoCos may be subject to a sudden drop in value should the trigger level be reached. The Target Fund may be required to accept cash or securities with a value less than its original investment or, in the event of instances where the contingent convertible bond is intended to be only loss absorbing, the Target Fund may lose its entire investment.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause.

When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Target Fund may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Credit-linked Securities Risk

Credit-linked securities are debt securities that represent an interest in a pool of, or are otherwise collateralised by one or more corporate debt obligations or credit default swaps incorporating debt or bank loan obligations. Such debt obligations may represent the obligations of one or more corporate issuers. A Target Fund that invests in credit-linked securities has the right to receive periodic interest payments from the issuer of the credit-linked security (usually the seller of the underlying credit default swap(s)) at an agreed-upon interest rate, and a return of principal at the maturity date.

A Target Fund that invests in credit-linked securities bears the risk of loss of its principal investment, and the periodic interest payments expected to be received for the duration of its investment in the credit-linked security, in the event that one or more of the debt obligations underlying the credit default swaps go into default or otherwise become non-performing. Upon the occurrence of such a credit event (including bankruptcy, failure to timely pay interest or principal, or a restructuring), the Target Fund will generally reduce the principal balance of the related credit-linked security by the Target Fund's pro rata interest in the par amount of the defaulted underlying debt obligation in exchange for the actual value of the defaulted underlying obligation or the defaulted underlying obligation itself, resulting in a loss of a portion of the Target Fund's investment. Thereafter, interest on the credit-linked security will accrue on a smaller principal balance and a smaller principal balance will be returned at maturity. To the extent a credit-linked security represents an interest in underlying obligations of a single corporate or other issuer, a credit event with respect to such issuer presents greater risk of loss to the Target Fund than if the credit-linked security represented an interest in underlying obligations of multiple issuers.

In addition, a Target Fund bears the risk that the issuer of the credit-linked security will default or become bankrupt. In such an event, the Target Fund may have difficulty being repaid, or fail to be repaid, the principal amount of its investment and the remaining periodic interest payments thereon.

An investment in credit-linked securities also involves reliance on the counterparty to the credit default swap entered into with the issuer of the credit-linked security to make periodic payments to the issuer under the terms of the swap. Any delay or cessation in the making of such payments may be expected in certain instances to result in delays or reductions in payments to the Target Fund as an investor in such credit-linked securities. Additionally, credit-linked securities are typically structured as limited recourse obligations of the issuer of such securities such that the securities issued will usually be obligations solely of the issuer and will not be obligations or responsibilities of any other person.

Most credit-linked securities are structured as *US Rule 144A securities so that they may be freely traded among institutional buyers. The Target Fund will generally only purchase credit-linked securities, which are determined to be liquid in the opinion of the Investment Manager. However, the market for credit-linked securities may suddenly become illiquid. The other parties to the transaction may be the only investors with sufficient understanding of the derivative to be interested in bidding for it. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for credit-linked securities. In certain cases, a market price for a credit-linked security may not be available or may not be reliable, and the Target Fund could experience difficulty in selling such security at a price the Investment Manager believes is fair.

The value of a credit-linked security will typically increase or decrease with any change in value of the underlying debt obligations, if any, held by the issuer and the credit default swap. Further, in cases where the credit-linked security is structured such that the payments to the Target Fund are based on amounts received in respect of, or the value of performance of, any underlying debt obligations specified in the terms of the relevant credit default swap, fluctuations in the value of such obligation may affect the value of the credit-linked security.

* Note:
The US Rule 144A refers to the Rule 144A under the United States Securities Act of 1993, as amended ("Securities Act"). It provides a safe harbour from the registration requirements of the Securities Act for certain private re-sales of a minimum amount of units of restricted securities to certain qualified institutional buyers, which generally are large institutional investors that own at least $100 million in investable assets, subject to certain conditions.

Credit risk

Credit risk, a fundamental risk relating to all fixed income securities as well as money market instruments, is the chance that an issuer will fail to make principal and/or interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions which may have specific effect on an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

Defaulted Debt Securities Risk

A Target Fund may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). A Target Fund may buy defaulted debt securities if, in the opinion of the Investment Manager, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

The risk of loss due to default may also be considerably greater with lower-quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in a Target Fund's portfolio defaults, the Target Fund may have unrealised losses on the security, which may lower the Target Fund's net asset value per Share. Defaulted securities tend to lose much of their value before they default. Thus, the Target Fund's net asset value per Share may be adversely affected before an issuer defaults. In addition, the Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

Included among the issuers of debt securities or obligations in which the Target Fund may invest are entities organised and operated solely for the purpose of restructuring the investment characteristics of various securities or obligations. These entities may be organised by investment banking firms, which receive fees in connection with establishing each entity and arranging for the placement of its securities.

Derivative instruments risk

The performance of derivative instruments depends largely on the performance of an underlying currency, security, index or other reference asset, and such instruments often have risks similar to the underlying instrument, in addition to other risks. A Target Fund may use options, futures, options on futures, and forward contracts on currencies, securities, indices, interest rates or other reference assets for hedging, efficient portfolio management and/or investment purposes. Derivative instruments involve costs and can create economic leverage in the Target Fund's portfolio which may result in significant volatility and cause the Target Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Target Fund's initial investment. In the case of futures transactions, the amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Target Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Target Fund is fixed, the Target Fund may sustain a loss well in excess of that amount. The Target Fund will also be exposed to the risk of the purchaser exercising the option and the Target Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Target Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. The risk of loss to a Target Fund for a swap transaction on a net basis depends on which party is obliged to pay the net amount to the other party. If the counterparty is obliged to pay the net amount to the Target Fund, the risk of loss to the Target Fund is the loss of the entire amount that the Target Fund is entitled to receive; if the Target Fund is obliged to pay the net amount, the Target Fund's risk of loss is limited to the net amount due.

Certain derivatives have the potential for a high degree of leverage regardless of the size of the initial investment. The use of leverage may cause a Target Fund to liquidate portfolio positions to satisfy its obligations or to meet asset segregation requirements when it may not be advantageous to do so. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that a Target Fund may not realise the intended benefits. Their successful use will usually depend on the Investment Manager(s) of the Target Fund' ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, a Target Fund may not achieve the anticipated benefits of the transaction, and it may realise losses, which could be significant. If the Investment Manager(s) of the Target Fund are not successful in using such derivative instruments, a Target Fund's performance may be worse than if the Investment Manager(s) of the Target Fund did not use such derivative instruments at all. To the extent that a Target Fund uses such instruments for hedging purposes, there is the risk of imperfect correlation between movements in the value of the derivative instrument and the value of the underlying investment or other asset being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

A Target Fund may engage in transactions involving derivative instruments that trade on exchanges or that may be privately negotiated and trade "over-the-counter" (OTC) and not on an exchange. Exchange-traded derivatives include futures, options, options on futures, and warrants. Examples of OTC derivative instruments include currency forwards, interest rate swaps, credit default swaps, total return swaps or contracts for differences. Use of such OTC instruments could result in a loss if the counterparty to the transaction (with respect to forward currency contracts and other OTC derivatives) does not perform as promised, including because of such counterparty's bankruptcy or insolvency. This risk may be heightened during volatile market conditions. Collateral is employed for many OTC derivative transactions – it needs to be pledged to the counterparty if a Target Fund has a net loss on a given transaction and a Target Fund may hold collateral pledged by the counterparty to the Target Fund if the Target Fund has a net gain on a given transaction. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Target Fund or will not be absorbed by other outstanding obligations of the counterparty. Other risks include the inability to close out a position because the trading market becomes illiquid (particularly in the OTC markets) or the availability of counterparties becomes limited for a period of time. In addition, the presence of speculators in a particular market could lead to price distortions. To the extent that a Target Fund is unable to close out a position because of market illiquidity, the Target Fund may not be able to prevent further losses of value in its derivatives holdings and the Target Fund's liquidity may be impaired to the extent that it has a substantial portion of its otherwise liquid assets marked as segregated to cover its obligations under such derivative instruments. A Target Fund may also be required to take or make delivery of an underlying instrument that the Investment Manager(s) of the Target Fund would otherwise have attempted to avoid. Some derivatives can be particularly sensitive to changes in interest rates or other market prices. Investors of the Target Fund (i.e., the Fund) should bear in mind that, while a Target Fund may intend to use derivative strategies on a regular basis, it is not obligated to actively engage in these transactions, generally or in any particular kind of derivative, if the Investment Manager(s) of the Target Fund elect not to do so due to availability, cost or other factors.

Financial derivative instruments may be used for, among other purposes, synthetic short selling. According to the Law of 17 December 2010, the short selling of securities or any physical instrument is not permitted. In order to replicate short exposure either for investment purposes or to hedge a long position in the same or a similar asset, synthetic short selling can be accomplished through the use of derivatives. The purchase of credit default swaps (CDS), for example, for a particular issuer without owning a debt obligation of that issuer effectively results in the Target Fund having a short exposure to that issuer. The Target Fund may also purchase credit default swaps to hedge an existing position in the same issuer. Purchasing a put option on a stock, debt obligation, or a currency without owning the stock, debt obligation or currency is also effectively going short (and again such a transaction may be entered into for the purpose of hedging an existing position). The only investment at risk in such strategies is the premium paid for the CDS or option, unlike the case of going short actual stocks, bonds or currencies where the full investment in such assets is at risk. Another synthetic short selling strategy is the selling of interest rate futures which will benefit from a rise in interest rates, thereby replicating going short interest rates. Where premium is paid for such synthetic short selling strategies (e.g. for credit default swaps or put options), there is the possibility of losing the entire investment if no credit event occurs (in the case of credit default swaps) or the option expires worthless (because the underlying asset did not fall below the strike price). Where a futures contract is entered into (e.g. selling interest rate futures), the potential loss is governed by the degree to which interest rates move down instead of up, the conversion factor applied vis-à-vis the basket of eligible securities, the time to delivery, and the notional amount associated with the contract. Additional strategies similar to these may be implemented with similar consequences and potential risks. Risk is mitigated by virtue of daily adjustment of variation margin and/or the maintenance of eligible collateral against the position. There is no assurance that such synthetic short selling strategies as described herein will be as effective in achieving short exposure for investment or hedging purposes as actual short selling strategies.

Under recent financial reforms, certain types of derivatives (i.e., certain swaps) are, and others eventually are expected to be, required to be cleared through a central counterparty. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to OTC swaps, but it does not eliminate those risks completely. With cleared swaps, there is also a risk of loss by a Target Fund of its initial and variation margin deposits in the event of bankruptcy of the Futures Commission Merchant ("FCM") with which the Target Fund has an open position in a swap contract. If an FCM does not provide accurate reporting, the Target Fund is also subject to the risk that the FCM could use the Target Fund's assets to satisfy its own financial obligations or the payment obligations of another customer to the central counterparty. With cleared swaps, a Target Fund may not be able to obtain as favourable terms as it would be able to negotiate for a bilateral, uncleared swap. In addition, an FCM may unilaterally amend the terms of its agreement with a Target Fund, which may include the imposition of position limits or additional margin requirements with respect to the Target Fund's investment in certain types of swaps. Central counterparties and FCMs generally can require termination of existing cleared swap transactions at any time, and can also require increases in margin above the margin that is required at the initiation of the swap agreement.

The regulation of cleared and uncleared swaps, as well as other derivatives, is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, regulators and exchanges in many jurisdictions are authorised to take extraordinary actions in the event of a market emergency, including, for example, the implementation or reduction of speculative position limits, the implementation of higher margin requirements, the establishment of daily price limits and the suspension of trading. It is not possible to predict fully the effects of current or future regulation. New requirements, even if not directly applicable to a Target Fund, may increase the cost of a Target Fund's investments and cost of doing business, which could adversely affect investors of the Target Fund's (i.e., the Fund's) investment returns in the Target Fund.

The use of derivative strategies may also have a tax impact on a Target Fund. The timing and character of income, gains or losses from these strategies could impair the ability of the Investment Manager(s) of the Target Fund to utilise derivatives when it wishes to do so.

Dividend Policy Risk

A Target Fund's dividend policy may allow for payment of dividends out of capital as well as from income and net realised and net unrealised capital gains. Where this is done, while it may allow for more income to be distributed, it also amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. This has the effect of reducing capital and the potential for long-term capital growth as well as increasing any capital losses. Examples of when this may occur include:

– if the securities markets in which the Target Fund invests were sufficiently declining so that the Target Fund has incurred net capital losses;

– if dividends are paid gross of fees and expenses such that fees and expenses are paid out of net realised and net unrealised capital gains or initially subscribed capital.

Any distribution of dividends made partially or entirely out of the Target Fund's capital may reduce capital growth and may result in an immediate reduction of the net asset value per share.

Emerging markets risk

A Target Fund's investments in the securities issued by corporations, governments, and government related entities in different nations and denominated in different currencies involve certain risks. These risks are typically increased in developing countries and Emerging Markets. Such risks, which can have adverse effects on portfolio holdings, may include: (i) investment and repatriation restrictions; (ii) currency fluctuations; (iii) the potential for unusual market volatility as compared to more industrialised nations; (iv) government involvement in the private sector; (v) limited investor information and less stringent investor disclosure requirements; (vi) shallow and substantially smaller liquid securities markets than in more industrialised countries, which means a Target Fund may at times be unable to sell certain securities at desirable prices; (vii) certain local tax law considerations; (viii) limited regulation of the securities markets; (ix) international and regional political and economic developments; (x) possible imposition of exchange controls or other local governmental laws or restrictions; (xi) the increased risk of adverse effects from deflation and inflation; (xii) the possibility of limited legal recourse for the Target Fund; and (xiii) the custodial and/or the settlement systems may not be fully developed.

Investors in Target Funds investing in Emerging Markets should in particular be informed that the liquidity of securities issued by corporations and government related entities in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

Equity risk

The value of a Target Fund that invests in equity and equity-related securities fluctuate daily. Prices of equities can be influenced and affected by many micro and macro factors such as economic, political, market, and issuer-specific changes. Such changes may adversely affect the value of the equities which can go up or down, regardless of company-specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes over varying time periods (i.e. suddenly or over the long term). The risk that one or more companies in a Target Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period and the Target Fund investing in equities could incur significant losses.

Europe and Eurozone risk

The Target Fund may invest in Europe and the Eurozone. Mounting sovereign debt burdens (e.g. any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system, the possibility for one or more countries to withdraw from the European Union, including the United Kingdom, which is a significant market in the global economy, and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of both fixed income and equity securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the Target Fund may be exposed to additional operational or performance risks.

While the European governments, the European Central Bank, and other authorities are taking measures (e.g. undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may not have the desired effect and therefore the future stability and growth of Europe is uncertain. The performance and value of the Target Fund may be adversely affected should there be any adverse credit events (e.g. downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

Foreign currency risk

Since the portfolio holdings of the Target Funds are valued in USD, changes in currency exchange rates adverse to USD may affect the value of such holdings and the Target Funds' yield thereon.

Since the securities, including cash and cash equivalents, held by a Target Fund may be denominated in currencies different from its base currency, i.e., the USD, the Target Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency (USD) and other currencies. Changes in currency exchange rates may influence the value of a Target Fund's shares, and also may affect the value of dividends and interests earned by the Target Fund and gains and losses realised by the Target Fund. If the currency in which a security is denominated appreciates against the base currency, the value of the security could increase.

Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

To the extent that a Target Fund seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Target Fund's investment policy, there is no requirement that any Target Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

Currency management strategies may substantially change a Target Fund's exposure to currency exchange rates and could result in losses to the Target Fund if currencies do not perform as the Investment Manager of the Target Fund expects. In addition, currency management strategies, to the extent that they reduce the Target Fund's exposure to currency risks, may also reduce the Target Fund's ability to benefit from favourable changes in currency exchange rates. There is no assurance that the Investment Manager of the Target Fund's use of currency management strategies will benefit the Target Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to the Target Fund's holdings, further increases the Target Fund's exposure to foreign investment losses.

Frontier markets risk

Investments in Emerging Market countries involve risks as set out in the section "Emerging Markets risks" above. Investments in frontier markets involve risks similar to investments in Emerging Markets but to a greater extent since frontier markets are even smaller, less developed, and less accessible than Emerging Markets. Frontier markets may also experience greater political and economic instability and may have less transparency, less ethical practices, and weaker corporate governance compared to Emerging Markets and the Target Fund may be adversely impacted. Such markets are also more likely to have investment and repatriation restrictions, exchange controls and less developed custodial and settlement systems than Emerging Markets. The countries that comprise frontier markets include the lesser developed countries located in Africa, Asia, the Middle East, Eastern Europe and Latin America. As a result, the Target Fund may be adversely impacted.

Growth Stocks Risk

The Target Fund investing in growth stocks can be more volatile and may react differently to economic, political, market and issuer specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially, over short term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth.

Interest Rate Securities Risk

Target Funds that invest in debt securities or money market instruments are subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in the Target Fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. While changes in interest rates may affect the Target Fund's interest income, such changes may positively or negatively affect the net asset value of the Target Fund's Shares on a daily basis.

Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities. However, the market value of variable rate debt securities may decline when prevailing interest rates rise if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, variable rate securities will not generally increase in market value if interest rates decline. However, when interest rates fall, there will be a reduction in the payments of interest received by the Target Fund from its variable rate securities. Floating-rate securities may be rated below investment grade (such securities are commonly referred to as "junk bonds"). Limits on the aggregate amount by which a variable rate security's interest rate may increase over its lifetime or during any one adjustment period can prevent the interest rate from ever adjusting to prevailing market rates.

Interest rate risk

A Target Fund that invests in debt securities or money market instruments is subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in a Target Fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. Changes in interest rates may affect a Target Fund's income from fixed income securities when it invests or reinvests in fixed income securities with increased or reduced coupon rates and may positively or negatively affect the net asset value of the Target Fund on a daily basis due to changes in the value of fixed income securities held by the Target Fund.

The value of variable rate securities (which include floating rate debt securities) is generally less sensitive to interest rate changes than the value of fixed rate debt securities as their coupon rates tend to increase when interest rates are raised, and decrease when interest rates decline. This ability to adjust coupon rates in response to changes in prevailing market rates means that variable rate securities are less likely to increase in market value if interest rates decline and also less likely to decrease in market value if interest rates are raised. A variable rate debt security can be prevented from adjusting its coupon rates in response to changes in prevailing market rates if there are limits on the aggregate amount by which the variable rate debt security's coupon rate may increase over its lifetime or during any one adjustment period.

A rise in prevailing interest rates may give rise to a decrease in the market value of variable rate debt securities if the coupon rates of the variable rate debt securities do not rise as much, or as quickly, as interest rates in general. A decline in prevailing interest rates will generally not give rise to an increase in the market value of variable rate debt securities because the coupon rates of the securities will decrease. Any reduction in the coupon rates of the variable rate debt securities held by a Target Fund may lead to a reduction in the coupon payments received by a Target Fund from its variable rate debt securities.

Liquidity risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a Target Fund to sell a security or financial instrument at its quoted price or market value due to factors such as a sudden change in the perceived value or credit worthiness of the financial instrument, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of a Target Fund to meet a redemption request, due to the inability of the Target Fund to sell securities or financial instruments in order to raise sufficient cash to meet the redemption request. Markets where the Target Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the net asset value of the Target Fund and, as noted, on the ability of the Target Fund to meet redemption requests in a timely manner.

Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Target Fund values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Target Fund's ability to sell particular securities when necessary to meet the Target Fund's liquidity needs or in response to a specific economic event.

Low-rated or Non-investment grade securities risk

A Target Fund may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") involve greater risk of a complete loss of the Target Fund's investment, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or principal payments, payments on the securities may never resume. These instruments may be worthless and the Target Fund could lose its entire investment.

The prices of high-yield debt instruments fluctuate more than higher-quality securities. Prices are especially sensitive to developments affecting the issuer's business or operations and to changes in the ratings assigned by rating agencies. In addition, the entire high-yield debt market can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sustained sales by major investors, a high-profile default, or other factors. Prices of corporate high-yield debt instruments often are closely linked with the company's stock prices and typically rise and fall in response to factors that affect stock prices.

High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale with relevant regulatory authorities in the local jurisdiction and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the Target Fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, high-yield debt instruments generally pose greater illiquidity and valuation risks.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Target Fund's investments or investment process.

Unrated debt securities determined by the Investment Manager of the Target Fund and/or investment co-managers of the Target Fund to be of comparable quality to rated securities which the Target Fund may purchase may pay a higher interest rate than such rated debt securities and be subject to a greater risk of illiquidity or price changes. Less public information is typically available about unrated securities or issuers.

Exposure to the low-rated or high-yield debt may be achieved through synthetic means. For example, the CDX is a credit default swap on a basket of high yield bonds, constituting in effect a high yield bond index. By purchasing such an instrument, the Target Fund is buying protection (i.e. the ability to get par for the bonds in the event of an unfavourable credit event), allowing the Target Fund to hedge its exposure or go short the high yield sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Target Fund is selling protection and effectively getting long exposure to the high yield sector more efficiently than purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying high yield securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

Market risk

Market risk arises because of factors that affect the market overall, and particularly the region where the Target Funds will be focusing their investments. Factors such as economic growth, financial market conditions, political stability and the social environment are some examples of conditions that have an impact on businesses, which in turn may impact the market value of their securities positively or negatively.

The market values of securities owned by a Target Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of securities owned by a Target Fund may go up or down due to general market conditions such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer or a particular industry or sector, such as changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities held by a Target Fund will participate in or otherwise benefit from the advance.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Target Fund. Investors who purchase Units of a Fund may not get back the full amount that they invested if the Net Asset Value of the Fund falls below their purchase price due to adverse price movements of the corresponding Target Fund's underlying investments.

Mortgage- and Asset-Backed Securities Risk

The Target Fund may invest in mortgage- and asset-backed securities. Mortgage-backed securities (sometimes referred as mortgage pass-through securities) are securities that are backed by pools of mortgage loans where the payment of interest and principal from the underlying mortgages are passed through to the holders of the mortgage-backed securities. The underlying mortgages may be single family, multi-family, or commercial mortgages (that latter are frequently called commercial mortgage-backed securities, or CMBS), and may be fixed rate or adjustable rate mortgages (if adjustable, such securities are called Adjustable Rate Mortgage Securities or ARMS). Mortgage-backed securities differ from conventional debt securities in that principal is paid back over the life of the security rather than at maturity, as the underlying mortgages are subject to unscheduled pre-payments of principal before the security's maturity date due to voluntary prepayments, refinancings or foreclosures on the underlying mortgage loans. To the Target Fund this means a loss of anticipated interest, and a portion of its principal investment represented by any premium the Target Fund may have paid over par at the time of purchase. Mortgage pre-payments generally increase when interest rates fall.

Mortgage-backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of pre-payments on mortgage-backed securities and extend their life. This could cause the price of the mortgage-backed securities to be more sensitive to interest rate changes. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Collateralised Mortgage Obligations (CMOs) are securities backed by a pool of mortgage pass-through securities or actual mortgage loans that are structured into various tranches with varying maturities and varying priorities in terms of their access to the principal and interest payments from the underlying assets. Such securities will have, depending on the tranches, varying degrees of pre-payment risk and credit risk, depending on their priority in the capital structure. The shorter, more senior tranches will generally be lower risk than the longer dated, more junior tranches.

Mortgage-backed securities may be offered as interest only (IO) or principal only (PO) strips, where only the interest or the principal of the underlying mortgages in the pool is passed on to the security holders. These types of securities are highly sensitive to the pre-payment experience associated with the underlying mortgages and will behave in opposite ways to the same trend in pre-payments. For IO securities, early pre-payments within the pool will mean less than expected interest payments since the mortgages will have terminated, adversely affecting security holders. For PO securities, early pre-payments within the pool will mean quicker repayment of principal than expected, benefiting security holders. Because of the highly sensitive nature of these securities, the possibility of sharp declines in prices is much greater compared to conventional mortgage-backed securities.

Mortgage- and asset-backed securities may be structured as synthetic securities. For example, the CMBX is a credit default swap on a basket of CMBS bonds, constituting in effect a CMBS index. By purchasing such an instrument, the Target Fund is buying protection (i.e. the ability to get par for the bonds in the event of an unfavourable credit event), allowing the Target Fund to hedge its exposure or go short the CMBS sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Target Fund is selling protection and effectively getting long exposure to the CMBS sector more quickly and efficiently than purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying ABS or MBS securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

Asset-backed securities are very similar to mortgage-backed securities, except that the securities are collateralised by other types of assets besides mortgages, such as credit card receivables, home-equity loans, manufactured homes, automobile loans, student loans, equipment leases, or senior bank loans, among others. Like mortgage-backed securities, asset-backed securities are subject to pre-payment and extension risks.

Mortgage Dollar Roll Risk

The Target Fund may engage in mortgage dollar roll transactions. In a mortgage dollar roll, the Target Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar securities on a specified future date (typically so-called "to-be-announced" or TBA securities where the actual securities underlying the transaction are not identified, rather only certain parameters are specified, e.g. coupon, maturity, issuer, mortgage type, and month of settlement). During the period between the sale and repurchase (the "roll period"), the Target Fund foregoes principal and interest paid on the mortgage-backed securities. The Target Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop"), as well as by the interest earned on the cash proceeds of the initial sale. The Target Fund could suffer a loss if the contracting party fails to perform the future transaction and the Target Fund is therefore unable to buy back the mortgage-backed securities it initially sold. Mortgage dollar rolls will be entered into only with high quality government securities dealers and member banks of the US Federal Reserve System.

Mortgage dollar rolls transactions may (due to the deemed borrowing position involved), increase the Target Fund's overall investment exposure and result in losses. Mortgage dollar rolls will be considered borrowings for purposes of the Target Fund's borrowing limitations unless the Target Fund segregates on its books an offsetting cash position or a position of liquid securities of equivalent value.

Participatory notes risk

Participatory notes also known as P-Notes are financial instruments that may be used by Target Fund to obtain exposure to an equity investment, including common stocks and warrants, in a local market where direct ownership is not allowed. Investment in P-Notes may involve an OTC transaction with a third party. Therefore Target Fund investing in P-Notes may be exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may in the event of counterparty default result in the loss of the full market value of the equity.

Regional market risk

A Target Fund may invest in a single region, and as a result are subject to higher concentration risk and potentially greater volatility compared to funds following a more globally diversified policy. In addition, some regions may be dominated by a single country or a few countries, with the result that the Target Fund's investments may be concentrated to a significant degree in a single country or only a few countries, increasing the potential for volatility to an even greater extent.

Reinvestment of Collateral Risk

Following reinvestment of collateral as defined in Section 4.10.3 on "Financial Derivative Instruments", the entirety of the risk considerations set out in this section regarding regular investments apply.

Repurchase and Reverse Repurchase Transactions Risk

The entering by the Company into repurchase transactions, as contemplated in Section 4.10.4 of this Information Memorandum "Use of Techniques and Instruments relating to Transferable Securities and

Money Market Instruments" involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that (1) in the event of the failure of the counterparty with which cash of the Target Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (2) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Target Fund to meet sale requests, security purchases or, more generally, reinvestment; and that (3) repurchase transactions will, as the case may be, further expose the Target Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of the Information Memorandum.

The counterparties to repurchase agreement transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor’s, Moody’s or Fitch, at the time of the transactions. The collateral received by the Company in respect of repurchase agreements transactions may be US Treasury bills or US government agency bonds supported by the full faith and credit of the US government. Any incremental income generated from repurchase agreement transactions will be accrued to the Target Fund.

In a reverse repurchase transaction, the Target Fund could incur a loss if the value of the purchased securities has decreased in value relative to the value of the cash or margin held by the Target Fund.

Securities lending risk

The entering by the Company into securities lending transactions, as contemplated in Section 4.10.4 of this Information Memorandum, "Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments", involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by the Target Fund, there is a risk of delay in recovery (that may restrict the ability of the Target Fund to meet delivery obligations under security sales or payment obligations arising from sale requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk for said borrowers to become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan. If the borrower of securities lent by the Target Fund fails to return these securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity on the market in which the collateral is traded.

The Target Fund may reinvest the cash collateral received from borrowers. There is a risk that the value or return of the reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Target Fund on lending the securities.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect risk

The Target Fund may invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (together referred to as "Stock Connect"). Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), Shanghai Stock Exchange ("**SSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"). Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEx, Shenzhen Stock Exchange ("**SZSE**") and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between mainland China and Hong Kong.

The Stock Connect comprises two Northbound Trading Links, one between SSE and Stock Exchange of Hong Kong Limited ("**SEHK**"), and the other between SZSE and SEHK. Stock Connect will allow foreign investors to place orders to trade eligible China A-Shares listed on the SSE ("**SSE Securities**") or on the SZSE ("**SZSE Securities**") (the SSE Securities and SZSE Securities collectively referred to as the "**Stock Connect Securities**") through their Hong Kong based brokers.

The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the SEHK, except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time. The SZSE Securities include all the constituent stocks from time to time of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which has a market capitalization of at least RMB 6 billion, and all the SZSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except those SZSE-listed shares (i) which are not quoted and traded in RMB, (ii) which are included in the "risk alert board"; (iii) which have been suspended from listing by the SZSE; and (iv) which are in the pre-delisting period. The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about the Stock Connect is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Documents/Investor_Book_En.pdf

In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-Shares and regulatory risk.

Quota limitations
The programmes are subject to a daily quota limitation which may restrict the Target Fund's ability to invest in Stock Connect Securities through the programmes on a timely basis. In particular, once the Northbound daily quota is reduced to zero or the Northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (although investors will be allowed to sell their cross–boundary securities regardless of the quota balance).

Suspension risk
Each of the SEHK, SZSE and SSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. In case of a suspension, the Target Fund's ability to access the mainland China market will be adversely affected.

Differences in trading day
Stock Connect only operates on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement day. Due to the difference in trading days between the mainland China and the Hong Kong markets, there may be occasions when it is a normal trading day for the mainland China market but not in Hong Kong and, accordingly, the Target Fund cannot carry out any Stock Connect Securities trading. The Target Fund may therefore be subject to a risk of price fluctuations in China A-Shares during the periods when Stock Connect is not operational.

Restrictions on selling imposed by front-end monitoring
Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise both SZSE and SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Clearing settlement and custody risks
Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx ("HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are

approved and supervised by the China Securities Regulatory Commission ("**CSRC**"). The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Target Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A-Shares traded through Stock Connect are issued in scriptless form, so investors, such as the Target Fund, will not hold any physical China A-Shares. Hong Kong and overseas investors, such as the Target Fund, who have acquired Stock Connect Securities through Northbound trading should maintain the Stock Connect Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.

Operational risk
The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Target Fund, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Target Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Nominee arrangements in holding China A-Shares
HKSCC is the "nominee holder" of the Stock Connect securities acquired by overseas investors (including the Target Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors, such as the Target Fund, enjoy the rights and benefits of the Stock Connect securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in mainland China may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under mainland China law those SSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Target Fund and the depositary cannot ensure that the Target Fund ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the Stock Connect securities in mainland China or elsewhere. Therefore, although the Target Fund's ownership may be ultimately recognised, the Target Fund may suffer difficulties or delays in enforcing its rights in China A-Shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the depositary and the Target Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Target Fund suffers losses resulting from the performance or insolvency of HKSCC.

Investor compensation
Investments of the Target Fund through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Target Fund is carrying out Northbound trading through securities brokers in Hong Kong but not mainland China brokers, it is not protected by the China Securities Investor Protection Fund in mainland China.

Trading costs
In addition to paying trading fees and stamp duties in connection with China A-Share trading, the Target Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Mainland China tax consideration
The management company of the Target Funds and/or Investment Managers of the Target Funds reserve the right to provide for tax on gains of the relevant Fund that invests in mainland China securities thus impacting the valuation of the Target Funds. With the uncertainty of whether and how certain gains on mainland China securities are to be taxed, the possibility of the laws, regulations and practice in mainland China changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the management company of the Target Funds and/or Investment Managers of the Target Funds may be excessive or inadequate to meet final mainland China tax liabilities on gains derived from the disposal of mainland China securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they purchased and/or sold their shares in/from the Target Fund.

On 14 November 2014, the Ministry of Finance, State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on the Stock Connect under Caishui 2014 No.81 ("Notice No.81"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the Target Fund) on the trading of China A-Shares through the Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors (such as the Target Fund) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

Regulatory risk.
The CSRC Stock Connect rules are departmental regulations having legal effect in mainland China. However, the application of such rules is untested, and there is no assurance that mainland China courts will recognise such rules, e.g. in liquidation proceedings of mainland China companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Target Fund which may invest in the mainland China markets through Stock Connect may be adversely affected as a result of such changes.

Single Country Risk

A Target Fund which essentially invests or has exposure in only one country will have greater exposure to market, political, legal, economic and social risks of that country than a fund which diversifies country risk across a number of countries. There is a risk that a particular country may impose foreign exchange and/or conversion controls or regulate in such a way as to disrupt the way the markets in that country operate. The consequences of these actions, and others such as confiscation of assets, could be to hinder the normal operation of such Target Fund with regard to the purchase and sale of investments and possibly the ability to meet redemptions. As further described in Section 4.12.4, dealing in such Target Fund may be suspended and investors of the Target Fund (i.e. the Fund) may not be able to acquire or redeem units in the Target Fund. Investments in a single country may result in reduced liquidity, greater financial risk, higher volatility and limited diversification which may have significant impact on the ability of the Target Fund to purchase or sell investment and possibly its ability to meet redemption requests in a timely manner. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

Smaller and midsized companies risk

While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller and midsize companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller and midsize companies to changing economic conditions.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating rate.

These risks are typically increased for securities issued by smaller and midsized companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by smaller and midsized companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

Sovereign Debt Risk

Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. Sovereign debtors also may be dependent on expected disbursements from other foreign governments or multinational agencies and the country's access to, or balance of, trade. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Restructuring may include obtaining additional credit to finance outstanding obligations, reduction and rescheduling of payments of interest and principal, or negotiation of new or amended credit and security agreements. Unlike most corporate debt restructurings, the fees and expenses of financial and legal advisers to the creditors in connection with a restructuring may be borne by the holders of the sovereign debt securities instead of the sovereign entity itself. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments, and similar occurrences may happen in the future.

In the event of a default on sovereign debt, the Target Fund may have limited legal recourse against the defaulting government entity. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due, and any rights the Target Fund may have may be restricted pursuant to the terms of applicable treaties with such sovereign entity. If a sovereign entity defaults, it may request additional time in which to pay or for further loans. There may be no legal process for collecting sovereign debt that a government does not pay or such legal process may be relatively more expensive, nor are there bankruptcy proceedings by which the Target Fund may collect in whole or in part on debt issued by a sovereign entity. In certain cases, remedies must be pursued in the courts located in the country of the defaulting sovereign entity itself, which may further limit the Target Fund's ability to obtain recourse.

The Target Fund may invest in Sovereign Debt issued by governments or government-related entities from countries referred to as Emerging Markets or Frontier Markets, which bear additional risks compared to more developed markets due to such factors as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

Structured Notes Risk

Structured notes such as credit linked notes, equity linked notes and similar notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. Investment in these instruments may cause a loss if the value of the underlying security decreases. There is also a risk that the note issuer will default. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a structured note can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Swap Agreements Risk

The Company may enter into interest rate, index and currency exchange rate swap agreements for the purposes of attempting to obtain a particular desired return at a lower cost to the Company than if the Company had invested directly in an instrument that yielded that desired return. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few days to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differential in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount", i.e. the return on or increase in value of a particular US dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations which the parties to a swap agreement have agreed to exchange. The Company's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount").

Whether the Company's use of swap agreements will be successful in furthering its investment objective will depend on the ability of the Investment Managers and/or Investment Co-Managers of the Target Fund to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Because they are two-party contracts and because they may have terms of greater than seven (7) calendar days, swap agreements may be considered to be illiquid. Moreover, the Company bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The Investment Managers and/or Investment Co-Managers of the Target Fund will cause the Company to enter into swap agreements in accordance with the guidelines in Section 4.10.1. The main factor that determines the performance of a swap contract is the movement in the price of the underlying investment, specific interest rates, currencies and other factors used to calculate the payment due by and to the counterparty. If a swap contract requires payment by the Target Fund, the latter must at all times be able to honour said payment. Moreover, if the counterparty loses its creditworthiness, the value of the swap contract entered into with this counterparty can be expected to fall, entailing potential losses for the Target Fund.

Value stocks risk

A Target Fund may select stocks using a bottom-up, long-term, value-oriented approach. To the extent that markets fail to recognise their expected value, investment in such securities may underperform other stock selection approaches.

Warrants Risk

Investments in and holding of warrants may result in increased volatility of the net asset value of the Target Fund, which may make use of warrants, and accordingly are accompanied by a higher degree of risk.

2.4 RISK MANAGEMENT STRATEGIES

The risk management philosophy of the Franklin Templeton group (which includes both the Manager and the Investment Manager of the Target Funds) is to ensure risks are:

- Recognised: The firm seeks to identify and understand risks at the security, portfolio, and operational level.
- Rational: The firm strives to ensure that risks are intended and a rational part of each portfolio's strategy.
- Rewarded: The firm applies its best effort to verify that risks assumed provide the potential to commensurate long-term reward.

Franklin Templeton's approach is to use a dedicated team of risk management specialists who are independent of the portfolio managers and provide robust analytics and unbiased insight. These specialists are locally positioned in the primary investment management offices, to work consultatively with portfolio teams around the globe.

Franklin Templeton has developed a rigorous structure to provide this independent oversight. Senior risk management specialists participate on various committees, dealing with issues such as counterparty risk, pricing and liquidity risk, the use of complex securities or investment techniques, and the vetting of new products.

Supporting these efforts are centrally supported platforms for data analytics and modelling, portfolio compliance, and trade monitoring and execution.

This philosophy and approach applies to the Target Funds and the Investment Managers of the Target Funds, since the Target Funds are where the actual investments for the portfolio's strategy reside. The benefit of these risk management strategies will carry through to the Funds offered in Malaysia (the feeder funds). In addition, the Malaysian affiliate of Franklin Templeton, as Manager of the feeder funds, will also have access to the risk management specialists of the global firm, to ensure that the pricing of the Target Funds and the conversion of the Target Funds' net asset value to Ringgit Malaysia, for purposes of establishing the value of the feeder funds offered in Malaysia, is done accurately, with attention to the risks involved, and with proper oversight.

THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH POTENTIAL INVESTORS SHOULD CONSIDER BEFORE INVESTING INTO THE FUNDS. POTENTIAL INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS FROM TIME TO TIME.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THIS REPLACEMENT MASTER INFORMATION MEMORANDUM AND, IF NECESSARY, CONSULT YOUR ADVISER(S) BEFORE MAKING AN INVESTMENT DECISION.

CHAPTER 3: FUNDS INFORMATION

3.1 INVESTMENT OBJECTIVES

The investment objectives of the Funds are as follows:

FUNDS	INVESTMENT OBJECTIVES
TGTRF	The Fund aims to achieve total investment returns by investing in the Target Fund which aims to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by governments and government-related issuers, or corporate entities worldwide.
FUSOF	The Fund aims to achieve capital appreciation by investing in the Target Fund which invests principally in equity securities of US companies demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy.
TGEF	The Fund seeks to provide capital appreciation by investing in the Target Fund which aims to invest in equity securities of companies throughout the world, including Emerging Markets.
TASCF	The Fund seeks to provide long term capital appreciation by investing in the Target Fund which aims to invest primarily in transferable equity securities as well as depository receipts of small-cap companies which are incorporated in the Asia region (ex-Japan) and/or which have their principal business activities in the Asia region (ex-Japan).
TGBF	The Fund seeks to provide capital appreciation and income* by investing in the Target Fund which aims to invest principally in equity securities and government debt securities issued by entities throughout the world, including Emerging Markets. ^ *A balanced fund is a fund that aims to invest in equity securities and fixed income instruments according to a ratio, with allowances for rebalancing, and asset appreciation or depreciation. Templeton Global Balanced Fund will typically invest 65% of its net assets in equity and equity-linked securities and 35% of its net assets in fixed income securities and liquid assets, with a permitted deviation of up to 5% of its net assets from this allocation.* **Income may be paid by cash or reinvested as additional Units of the Fund.*

Note:
Long term refers to a period of more than five years.

Any material change to a Fund's investment objective would require the approval of the Unit Holders of that Fund.

3.2 INVESTMENT POLICIES AND STRATEGIES

The investment policies and strategies of the Funds are as follows:

FUNDS	INVESTMENT POLICIES AND STRATEGIES
TGTRF	As the Fund is a feeder fund, the investment of the Fund will consist of a single collective investment scheme, i.e., the Target Fund. The Manager will monitor the investment objective of the Target Fund to ensure that it is consistent with the investment objective of the Fund. The Fund aims to invest a minimum of 95% of the NAV of the Fund in the Target Fund which is denominated in USD and domiciled in Luxembourg; the balance of the NAV of the Fund will be held in cash or invested in liquid assets to defray operating expenses and to provide liquidity. As the primary investment of the Fund, i.e., the Target Fund, is denominated in USD, the Manager intends to employ hedging to reduce the Fund's exposure to foreign exchange fluctuations. The hedging tools that the Manager may utilise include but are not limited to foreign exchange forwards. In view of the currency hedging strategy employed by the Manager, although the Fund endeavours to invest a minimum of 95% of the NAV of the Fund in the Target Fund, this percentage may be diluted from time to time due to unfavourable market conditions. Accordingly, Unit Holders must be aware that the currency hedging strategy may temporarily prevent the Fund from maintaining its declared asset allocation. To minimise performance divergence, currency hedging trade and orders to the Target Fund will be based on estimated orders of the Fund on the Business Day the orders are received. Adjustments between the estimated and confirmed orders of the Fund will be done on the following Business Day. The Target Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains. The Target Fund seeks to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by governments and government- related issuers or corporate entities worldwide. *Please refer to Chapter 4 for details on how the Target Fund works and the investment policies and strategies employed by the Target Fund.* As the Fund is a feeder fund, it will stay invested in the Target Fund in so far as its investment strategy is consistent with the objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund's performance will be directly correlated to the performance of the Target Fund subject to the currency hedging strategy mentioned above being successful. If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek the Unit Holders' approval before any such changes are made.

FUSOF	As the Fund is a feeder fund, the investment of the Fund will consist of a single collective investment scheme, i.e., the Target Fund. The Manager will monitor the investment objective of the Target Fund to ensure that it is consistent with the investment objective of the Fund. The Fund aims to invest a minimum of 95% of the NAV of the Fund in the Target Fund which is denominated in USD and domiciled in Luxembourg; the balance of the NAV of the Fund will be held in cash or invested in liquid assets to defray operating expenses and to provide liquidity. As the primary investment of the Fund, i.e., the Target Fund, is denominated in USD, the Manager intends to employ hedging to reduce the Fund's exposure to foreign exchange fluctuations. The hedging tools that the Manager may utilise include but are not limited to foreign exchange forwards. In view of the currency hedging strategy employed by the Manager, although the Fund endeavours to invest a minimum of 95% of the NAV of the Fund in the Target Fund, this percentage may be diluted from time to time due to unfavourable market conditions. Accordingly, Unit Holders must be aware that the currency hedging strategy may temporarily prevent the Fund from maintaining its declared asset allocation. To minimise performance divergence, currency hedging trade and orders to the Target Fund will be based on estimated orders of the Fund on the Business Day the orders are received. Adjustments between the estimated and confirmed orders of the Fund will be done on the following Business Day. The Target Fund invests principally in equity securities of US companies which demonstrate accelerating growth, increasing profitability, or above average growth or growth potential as compared with the overall economy. Equity securities generally entitle the holder to participate in a company's general operating results. They include common stocks, convertible securities and warrants on securities. The Target Fund principally invests in small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors. *Please refer to Chapter 4 for details on how the Target Fund works and the investment policies and strategies employed by the Target Fund.* As the Fund is a feeder fund, it will stay invested in the Target Fund in so far as its investment strategy is consistent with the objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund's performance will be directly correlated to the performance of the Target Fund subject to the currency hedging strategy mentioned above being successful. If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek the Unit Holders' approval before any such changes are made.
TGEF	The Fund aims to invest a minimum of 95% of the NAV of the Fund in the Target Fund which is denominated in USD and domiciled in Luxembourg; the balance of the NAV of the Fund will be held in cash or invested in liquid assets to defray operating expenses and to provide liquidity.

	As the primary investment of the Fund, i.e., the Target Fund, is denominated in USD, the Manager intends to employ hedging for the classes of Units denominated in RM to reduce the Fund's exposure to foreign exchange fluctuations. The hedging tools that the Manager may utilise include but are not limited to foreign exchange forwards and total return swaps. Although the Fund endeavours to invest a minimum of 95% of the NAV of the Fund in the Target Fund, this percentage may be diluted from time to time due to market conditions (which may result in depreciation in the value of the Fund's investment in the Target Fund). Therefore, if all else are constant, this will dilute the value of the Fund's investments and may result in the Fund investing less than 95% of its NAV in the Target Fund. Accordingly, Unit Holders must be aware that this may temporarily prevent the Fund from maintaining its declared asset allocation. The percentage of the Fund's NAV invested in the Target Fund will be monitored daily. Additional investments will be made where necessary to ensure the Fund's investments in the Target Fund is at least 95% of the NAV of the Fund. The Target Fund seeks to achieve its objective through a policy of investing in equity securities of companies^ throughout the world, including Emerging Markets. *Please refer to Chapter 4 for details on how the Target Fund works and the investment policies and strategies employed by the Target Fund.* As the Fund is a feeder fund, it will stay invested in the Target Fund in so far as its investment strategy is consistent with the objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund's performance will be directly correlated to the performance of the Target Fund subject to the currency hedging strategy mentioned above being successful. If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek the Unit Holders' approval before any such changes are made. ^*"equity securities of companies" refers to equities and equity related securities (i.e., preferred stock, securities convertible into common stock, depository receipts (American depository receipts and global depository receipts), warrants and rights (received as a result of corporate actions).*
TASCF	The Fund aims to invest a minimum of 95% of the NAV of the Fund in the Target Fund which is denominated in USD and domiciled in Luxembourg; the balance of the NAV of the Fund will be held in cash or invested in liquid assets to defray operating expenses and to provide liquidity. As the primary investment of the Fund, i.e., the Target Fund, is denominated in USD, the Manager intends to employ hedging for the classes of Units denominated in RM to reduce the Fund's exposure to foreign exchange fluctuations. The hedging tools that the Manager may utilise include but are not limited to foreign exchange forwards and total return swap. Although the Fund endeavours to invest a minimum of 95% of the NAV of the Fund in the Target Fund, this percentage may be diluted from time to

	time due to market conditions (which may result in depreciation in the value of the Fund's investment in the Target Fund). Therefore, if all else are constant, this will dilute the value of the Fund's investments and may result in the Fund investing less than 95% of its NAV in the Target Fund. Accordingly, Unit Holders must be aware that this may temporarily prevent the Fund from maintaining its declared asset allocation. The percentage of the Fund's NAV invested in the Target Fund will be monitored daily. Additional investments will be made where necessary to ensure the Fund's investments in the Target Fund is at least 95% of the NAV of the Fund. The Target Fund seeks to achieve its objective by investing primarily in transferable equity securities^ as well as depository receipts of small-cap companies which are incorporated in the Asia region, and/or which have their principal business activities in the Asia region*. *Please refer to Chapter 4 for details on how the Target Fund works and the investment policies and strategies employed by the Target Fund.* As the Fund is a feeder fund, it will stay invested in the Target Fund in so far as its investment strategy is consistent with the objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund's performance will be directly correlated to the performance of the Target Fund subject to the currency hedging strategy mentioned above being successful. If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek the Unit Holders' approval before any such changes are made. ^ *"transferable equity securities" refers to equities and equity related securities (i.e., warrants, options and equity linked notes).* **Please note that the Investment Manager of the Target Fund does not intend to invest in Japan.*
TGBF	The Fund aims to invest a minimum of 95% of the NAV of the Fund in the Target Fund which is denominated in USD and domiciled in Luxembourg; the balance of the NAV of the Fund will be held in cash or invested in liquid assets to defray operating expenses and to provide liquidity. As the primary investment of the Fund, i.e., the Target Fund, is denominated in USD, the Manager intends to employ hedging for the classes of Units denominated in RM to reduce the Fund's exposure to foreign exchange fluctuations. The hedging tools that the Manager may utilise include but are not limited to foreign exchange forwards and total return swap. Although the Fund endeavours to invest a minimum of 95% of the NAV of the Fund in the Target Fund, this percentage may be diluted from time to time due to market conditions (which may result in depreciation in the value of the Fund's investment in the Target Fund). Therefore, if all else are constant, this will dilute the value of the Fund's investments and may result in the Fund investing less than 95% of its NAV in the Target Fund. Accordingly, Unit Holders must be aware that this may temporarily prevent the Fund from maintaining its declared asset allocation.

	The percentage of the Fund's NAV invested in the Target Fund will be monitored daily. Additional investments will be made where necessary to ensure the Fund's investment in the Target Fund is at least 95% of the NAV of the Fund. The Target Fund seeks to achieve its objective by investing principally in equity securities^ and government debt securities issued by entities throughout the world, including the Emerging Markets. *Please refer to Chapter 4 for details on how the Target Fund works and the investment policies and strategies employed by the Target Fund.* As the Fund is a feeder fund, it will stay invested in the Target Fund in so far as its investment strategy is consistent with the objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund's performance will be directly correlated to the performance of the Target Fund subject to the currency hedging strategy mentioned above being successful. If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek the Unit Holders' approval before any such changes are made. ^ *"equity securities" refers to equities and equity related securities (i.e., preferred stock, securities convertible into common stock, depository receipts (American depository receipts and global depository receipts), warrants, rights (received as a result of corporate actions),* equity linked notes and participatory notes*).*

3.3 ASSET ALLOCATION

The asset allocation of the Funds are as follows:

FUNDS	ASSET ALLOCATION
TGTRF **FUSOF** **TGEF** **TASCF** **TGBF**	• Minimum 95% of its NAV to be invested in the Target Fund; and • Up to 5% of its NAV in cash and / or other liquid assets.

3.4 PERFORMANCE BENCHMARKS

The performance benchmarks of the Funds are as follows:

FUNDS	PERFORMANCE BENCHMARK
TGTRF	Bloomberg Barclays Multiverse Index The Bloomberg Barclays Multiverse Index has been adopted as the performance benchmark for the Fund as it is the performance benchmark adopted by the Target Fund. The Bloomberg Barclays Multiverse Index provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies. Source: Bloomberg ~ Ticker for Bloomberg Barclays Multiverse Index: LF93TRUU.
FUSOF	Russell 3000 Growth Index The Russell 3000 Growth Index has been adopted as the performance benchmark for the Fund as it is the performance benchmark adopted by the Target Fund. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. Source: Bloomberg ~ Ticker for Russell 3000 Growth Index: RAG.
TGEF	MSCI All Country World Index The MSCI All Country World Index has been adopted as the performance benchmark for the Fund as it is the performance benchmark adopted by the Target Fund. The MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets (DM)* and 23 Emerging Markets (EM) countries#. As at 30 January 2015, with 2,470 constituents, the index covers approximately 85% of the global investable equity opportunity set. * Developed Markets countries refer to Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. # Emerging Markets countries refer to Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Source: MSCI ~ Ticker for MSCI All Country World Index: MXWD

TASCF	MSCI All Country Asia ex-Japan Small Cap Index The MSCI All Country Asia ex-Japan Small Cap Index has been adopted as the performance benchmark for the Fund as it is the performance benchmark adopted by the Target Fund**.** The MSCI All Country Asia ex Japan Small Cap Index captures small cap representation across 2 of 3 Developed Markets countries (excluding Japan)* and 8 Emerging Markets countries# in the Asia region. As at 30 January 2015, with 1,648 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. * Developed Markets countries (excluding Japan) refer to Hong Kong and Singapore. # Emerging Markets countries refer to China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand. Source: MSCI ~ Ticker for MSCI All Country Asia ex-Japan Small Cap Index : MXASJSC
TGBF	Customised benchmark of 65% MSCI All Country World Index + 35% JP Morgan Global Government Bond Index. The above customized benchmark has been adopted as the performance benchmark for the Fund as it is the performance benchmark adopted by the Target Fund**.** The MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets (DM)* and 23 Emerging Markets (EM) countries#. As at 30 January 2015, with 2,470 constituents, the index covers approximately 85% of the global investable equity opportunity set. * Developed Markets countries refer to Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. # Emerging Markets countries refer to Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Source: MSCI ~ Ticker for MSCI All Country World Index: MXWD The J.P. Morgan Government Bond Index (GBI) measures performance of local currency denominated fixed rate government debt issued in developed markets. The bonds must satisfy J.P. Morgan's liquidity criteria as a necessary requirement for inclusion, which include narrow bid-offer spreads, and tradable prices. There is no rule governing the inclusion of bonds based on a minimum size requirement. However, liquidity requirements usually have the effect of excluding the relatively smaller issue in each market. The bonds must also have at least 13 months remaining until maturity at the rebalancing date to be included in the index. As of November 2014, the index tracks government debts issued in 13 countries. The index uses traditional market-capitalization approach to determine the weight of each country's allocations.

	Source: J.P. Morgan ~ Ticker for J.P. Morgan Government Bond Index: JPMGGLBL

Note: While the benchmark is used as a measure of performance of the Fund, the risk profile of the benchmark is not the same as the risk profile of the Fund.

3.5 PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objectives of the Funds, the Funds are permitted under the Deeds to invest as follows:

FUNDS	**PERMITTED INVESTMENTS**
TGTRF **FUSOF**	▪ The respective Target Funds (i.e. FTIF-TGTRF for TGTRF and FTIF-FUSOF for FUSOF) or a collective investment scheme having a similar objective; ▪ Malaysian currency deposits with financial institutions including negotiable certificates of deposit and placement of money at call with financial institutions; ▪ Foreign currency deposits; ▪ Foreign currency spots and forwards; and ▪ Any other form of investments as may be agreed between the Manager and Trustee from time to time.
TGEF **TASCF** **TGBF**	▪ The respective Target Funds (i.e. FTIF-TGF for TGEF, FTIF-TASCF for TASCF and FTIF-TGBF for TGBF) or a collective investment scheme having a similar objective; ▪ Money market instruments; ▪ Malaysian currency fixed deposits and placement of money at call with financial institutions; ▪ Foreign currency fixed deposits and placement of money at call with financial institutions; ▪ Foreign currency spots, forwards and total return swaps (for hedging purposes); and ▪ Any other form of investments as may be agreed between the Manager and Trustee from time to time.

3.6 INVESTMENT RESTRICTIONS AND LIMITS

The Funds will be managed in accordance with the following list of investment restrictions and limits:

FUNDS	INVESTMENT RESTRICTIONS AND LIMITS
TGTRF FUSOF TGEF TASCF TGBF	▪ The Target Fund has to be regulated and registered or authorised or approved by the relevant regulatory authority in its home jurisdiction; ▪ The Target Fund has to be managed by another fund management company or operator; ▪ The Fund may not invest in: (a) a fund of funds; (b) a feeder fund; and (c) any sub-fund of an umbrella scheme which is a fund of fund or a feeder fund.

3.6.1 CROSS TRADES

We may conduct cross trades between funds that we are currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades between the personal accounts of our employees and our fund accounts, and cross trades between our proprietary trading accounts and our fund accounts are strictly prohibited.

3.7 BASES OF VALUATION OF THE ASSETS OF THE FUNDS AND VALUATION FOR THE FUNDS

3.7.1 BASES OF VALUATION OF THE ASSETS OF THE FUNDS

In undertaking any of its investments, the Manager will ensure that all the assets of the Funds are valued in accordance with their respective asset classes as follows:

Unlisted Collective Investment Schemes

The Target Funds are unlisted collective investment schemes, the valuation of the shares of the Target Funds will be based on the indicative prices of the shares of the Target Funds for the relevant day which is obtained from the administrative agent of the Target Funds. This allows the Funds to be valued at the prescribed valuation point with the most recent available price.

If there are differences between the indicative prices of the shares of the Target Funds and the published prices of the shares of the Target Funds after a valuation is conducted, the Manager shall deal with such an event in accordance with Section 6.3.

Cash* and Liquid Assets

Cash* and liquid assets placed with financial institutions are valued each day by reference to the nominal values.

** "Cash" refers to currency fixed deposits and placement of money at call with financial institutions.*

Any Other Investments

Fair value as determined in good faith by the Manager on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

3.7.2 VALUATION FOR THE FUNDS

The Funds must be valued at least once every Business Day at the valuation point as detailed below.

Each Fund adopts a forward pricing basis which means that the price of a Unit will be calculated based on the NAV of the Unit at the next valuation point after a purchase request or a redemption request is received by the Manager.

As the value of each Fund's investment in its Target Fund at the close of a Business Day will only be determined the following Business Day (because the Target Funds are foreign funds), the valuations of the Units in respect of a particular Business Day can only be carried out on the following Business Day (T + 1) at 10.00 a.m ("*the valuation point*").

Accordingly, if applications for Units or requests for redemption are received before the cut-off time of 4.00 p.m. on a Business Day, say, Tuesday, the price of the Units in respect of those applications and requests will be calculated based on the valuation of the Units done on Wednesday (if this is the following Business Day). Similarly, applications for Units or requests for redemption received between 4.00 p.m. on Tuesday and 10.00 a.m. on Wednesday will be taken as transactions received on Wednesday as the dealing cut-off time on a Business Day is 4.00 p.m., therefore, the price of the Units in respect of those applications and requests will be calculated based on the valuation of the Units done on Thursday.

The NAV per Unit will be available on the day following the valuation which resulted in the said prices. Accordingly, applications for Units or requests for redemption received after the cut-off time of 4.00 p.m. on the Business Day of, for example, Tuesday, the applicable prices for those applications and requests will be the prices calculated on Thursday (assuming Wednesday is a Business Day) (T + 2).

The price of Units are published daily on the websites of Franklin Templeton, Bloomberg, Morningstar, and Thomson Reuters, and in The Edge newspapers, under Personal Wealth. Alternatively, Unit Holders may contact the Manager directly during business hours to obtain the latest price of the Fund.

3.8 SUSPENSION ON DEALING IN UNITS

In the event the Manager requests the Trustee to suspend the sale and/or redemption of Units, and the Trustee considers that the suspension is not in the interests of Unit Holders, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action. For the avoidance of doubt, the primary consideration for the suspension of the sale and/or redemption of Units is that the assets of the Fund to be acquired/sold or liquidated are not able to be acquired/sold or liquidated at an appropriate price or on adequate terms.

Notwithstanding the aforesaid, the Trustee may, without the consent of the Unit Holders, suspend the sale and/or repurchase of Units in exceptional circumstances when there is good and sufficient reason to do so having regard to the interests of the Unit Holders and potential investors of the Fund. The aforesaid exceptional circumstances include but are not limited to the following:

1. a state of emergency being declared in the country in which the investments of the Fund are exposed;
2. a closure or restrictions in trading in foreign exchange markets; or
3. if the Manager request the Trustee to suspend the sale and repurchase of Units in the event of a temporary suspension of the valuation of the net asset value of the Target Fund due to the circumstances as set out in Section 4.12.4 below.

The aforesaid suspension shall cease once the exceptional circumstances which triggered the suspension have come to an end and all suspended applications for Units and redemption requests shall be deemed to have been received on the first Business Day after the lifting of the suspension. The Trustee shall cause the Manager to inform the Unit Holders when dealing in Units of the Fund is suspended.

3.9 POLICY ON GEARING

The Funds are not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Guidelines on Securities Borrowing and Lending) in connection with its activities. However, the Funds may borrow cash for the purpose of meeting redemption requests for Units and for short-term bridging requirements. Such borrowings are subject to the following:

- the Funds' borrowings are only on a temporary basis and are not persistent;
- the borrowing period should not exceed a month;
- the aggregate borrowings of a Fund should not exceed 10% of the NAV of that Fund at the time the borrowing is incurred; and
- the Funds may only borrow from financial institutions.

CHAPTER 4: INFORMATION ON THE TARGET FUNDS

This section of this Replacement Master Information Memorandum provides you with information regarding the Target Funds and the parties behind the management of the Target Funds which is based on the Luxembourg Prospectus of the Company dated January 2018 (hereinafter referred to as "the Luxembourg Prospectus") save for certain additional information included by the Investment Manager of the Target Fund. Please note that there may be some additional information regarding the Target Funds which have been included in this chapter to comply with local regulatory requirements. Please also note that certain terms and expressions relating to the Target Funds used in this section of this Replacement Master Information Memorandum may differ from the Luxembourg Prospectus. Unit Holders who wish to sight copies of the Luxembourg Prospectus may do so at the Manager's office. All capitalised terms and expressions used in this section in reference to the Target Fund shall have the same meanings ascribed to them in the Luxembourg Prospectus as may be amended from time to time except where specifically provided in this Replacement Master Information Memorandum.

4.1 STRUCTURE OF THE TARGET FUNDS

Each of the Target Fund is a sub-fund of the Company.

The Company is registered on the official list of undertakings for collective investment in transferable securities pursuant to Part I of the Luxembourg law of 17 December 2010.

The Company qualifies as a UCITS.

The Company is structured to provide investors with a variety of sub-funds under an umbrella structure which enables investors to select from a range of sub-funds that best suit their investment requirements. Although the Company constitutes one sole legal entity, for the purpose of the relations between Shareholders, each sub-fund will be deemed to be a separate entity.

The board of directors of the Company is responsible for the overall investment policy, objective, management and administration of the Company and the Target Funds. The names and details of the board of directors are available in the Luxembourg Prospectus, copies of which are made available at the office of the Manager.

The Company has appointed Franklin Templeton International Services S.à r.l, to act as the management company of the Target Funds, for providing administration, marketing, investment management and advice services in respect of the Target Funds.

The management company of the Target Funds has further delegated the investment management services of the Target Funds to the following Investment Managers of the Target Funds:

Target Funds	Investment Managers of the Target Funds
FTIF-TGTRF	Franklin Advisers, Inc
FTIF-FUSOF	Franklin Advisers, Inc
FTIF-TASCF	Templeton Asset Management Ltd

FTIF-TGF	Templeton Global Advisors Limited
FTIF-TGBF	Franklin Templeton Investment Management Limited and Franklin Advisers, Inc

Please refer to Section 4.5, "**Investment Managers of the Target Funds**", for a full description of the Investment Managers of the Target Funds.

4.2 REGULATORY AUTHORITY WHICH REGULATES THE TARGET FUNDS

The regulatory authority for the Target Funds is the CSSF.

4.3 LEGISLATION APPLICABLE TO THE TARGET FUNDS

(a) Part I of the Luxembourg Law of 17 December 2010.

(b) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended (**"the UCITS Directive"**).

(c) Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 as amended and replaced by the law of 17 December 2010 referred to under 4.3 (a) above.

(d) Where applicable, the Luxembourg Law of 10 August 1915 on commercial companies, as amended.

(e) Regulations and Circulars of the Luxembourg supervisory authority and any other legislation applicable to UCITS.

4.4 THE MANAGEMENT COMPANY OF THE TARGET FUNDS

Franklin Templeton International Services S.à r.l, incorporated in Luxembourg

Franklin Templeton International Services S.à r.l, is based in Luxembourg and was incorporated on 17 May 1991 and is approved as a management company regulated by chapter 15 of the Law of 17 December 2010. Franklin Templeton International Services S.à r.l. is part of Franklin Templeton Investments and has a share capital of EUR 4,042,178.82.

The management company of the Target Funds is responsible on a day to day basis under the supervision of the board of directors of the Company, to provide administration, marketing, investment management and advice services in respect of the Target Funds.

The management company of the Target Funds has delegated the investment management services to the Investment Managers of the Target Funds and will receive periodic reports from the Investment Managers of the Target Funds detailing the Funds' performance and analysing their investment. The management company of the Target Funds will receive similar reports from the other service providers in relation to the services which they provide.

The management company of the Target Funds will also act as the registrar and transfer, corporate, domiciliary and administrative agent of the Company and will therefore be responsible for processing the purchase, selling and switching of shares, the maintenance of accounting records and all other administrative functions as required by the laws of the Grand Duchy of Luxembourg.

The management company of the Target Funds reports to the board of directors of the Company on a quarterly basis and informs the board of directors of the Company of any non-compliance of the Target Funds with the investment restrictions.

4.5 INVESTMENT MANAGERS OF THE TARGET FUNDS

Templeton Asset Management Ltd, incorporated in Singapore

Templeton Asset Management Limited, the investment manager of FTIF-TASCF, is an indirectly wholly owned subsidiary of Franklin Resources, Inc. which operates as Franklin Templeton Investments ("FTI"), a global investment organisation with over [65] years of investing experience. FTI, through its subsidiaries, manages approximately US$ 753.20 billion, has offices in over 30 countries and employs more than 9,200 staff as at 30 November 2017.

Franklin Templeton Investments is made up of renowned names in the investment management industry such as Franklin, Templeton and Mutual Series and other specialized investment teams, each with its own unique investment style and specialization. FTI is able to capitalize on the investment and research expertise of investment professionals worldwide to seek consistently superior performance in the long-term.

Franklin Resources, Inc., listed on the New York Stock Exchange, is currently one of the largest publicly traded U.S. asset managers in terms of both assets under management and market capitalization.

Franklin Templeton Investments marked its presence in Singapore with the set up of a research office in 1990. Templeton Asset Management Ltd was officially incorporated in September 1992 and was registered as an Investment Advisor with the Monetary Authority of Singapore under the now repealed Securities Industry Act. Templeton Asset Management Ltd currently holds a Capital Markets Services Licence for fund management issued by the Monetary Authority of Singapore pursuant to the Securities and Futures Act.

Templeton Asset Management Ltd has been credited for providing innovative and creative investment products to the Singapore investing public since it pioneered Singapore's first umbrella and feeder fund, Franklin Templeton Funds, in 1996. Subsequently, it went on to launch the first Emerging Markets fund, the first life sciences fund and the first US government securities fund in Singapore within a span of 5 years.

Templeton Global Advisors Limited, incorporated in Bahamas

Templeton Global Advisors Limited, the investment manager of FTIF-TGF**,** is a Bahamas corporation located in Nassau, Bahamas. Templeton Global Advisors Limited is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 and with the Securities Commission of the Bahamas. The initial U.S. Securities and Exchange Commission registration date is September 22, 1992.

Franklin Templeton Investment Management Limited, incorporated in the UK

Franklin Templeton Investment Management Limited, the investment manager of FTIF-TGBF (equity portion)**,** originally incorporated in 1985, is an indirect but wholly-owned subsidiary of Franklin Resources Inc. Franklin Templeton Investment Management Limited provides both equity and fixed income investment advisory services and has provided investment advisory services to various Franklin Templeton funds since 1992. Franklin Templeton Investment Management Limited, which has offices in Edinburgh and London, is part of the Templeton Global Equity Group and adheres strictly to its value-oriented, bottom-up approach to stock selection.

Franklin Advisers, Inc., incorporated in the US

Franklin Advisers, Inc., the investment manager of FTIF-TGTRF, FTIF-FUSOF and FTIF-TGBF (fixed income portion), is based in San Mateo, California and was formed in 1985 and is best known as a fixed income and money market specialist. Franklin Advisers, Inc. is a leading fixed income manager in the

U.S. and forms part of the Franklin Fixed Income Group which was one of the pioneers in the development of U.S. Government Securities funds in the 1970s. The Franklin Fixed Income Group also introduced America's first state-specific and double tax-free income fund in 1981.

In addition to its fixed income capabilities, Franklin Advisers, Inc. is also renowned for its expertise in U.S. equities, particularly in utilising the growth style in equity investing. The Franklin Equity Group manages various sector-focused portfolios including financial services, biotechnology and utilities.

The Franklin Equity Group and the Franklin Fixed Income Group adopt a synergistic approach by leveraging on each other's research and analysis to provide a more comprehensive coverage of their respective areas.

Franklin Advisers, Inc. has managed collective investment schemes since 1985.

4.6 REGULATORY AUTHORITIES OF THE INVESTMENT MANAGERS OF THE TARGET FUNDS

Target Funds	Investment Managers of the Target Funds	Regulatory Authorities of the Investment Managers of the Target Funds
FTIF-TGTRF **FTIF-FUSOF**	Franklin Advisers, Inc.	U.S. Securities and Exchange Commission
FTIF-TGF	Templeton Global Advisors Limited	Securities Commission of the Bahamas
FTIF-TASCF	Templeton Asset Management Ltd	Monetary Authority of Singapore
FTIF-TGBF	Franklin Advisers, Inc. Franklin Templeton Investment Management Limited	U.S. Securities and Exchange Commission Financial Conduct Authority

4.7 INVESTMENT OBJECTIVES OF THE TARGET FUNDS

Target Funds	Investment Objectives
FTIF-TGTRF	To maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains.
FTIF-FUSOF	Capital appreciation.
FTIF-TGF	Capital appreciation.
FTIF-TASCF	Long-term capital appreciation.
FTIF-TGBF	To seek capital appreciation and current income, consistent with prudent investment management.

4.8 INVESTMENT POLICIES AND STRATEGIES OF THE TARGET FUNDS

4.8.1 FTIF-TGTRF

The Target Fund seeks to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities worldwide. The Target Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Target Fund may also utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps, interest rate swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Target Fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. The Target Fund may also purchase mortgage and asset- backed securities and convertible bonds. The Target Fund may hold up to 10% of its net assets in securities in default. The Target Fund may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Target Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs. The Target Fund may also participate in mortgage dollar roll transactions.

The Target Fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently cause new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove Fund assets from exposure to the market. On an ancillary basis, the Target Fund may gain exposure to debt market indexes by investing in index- based financial derivatives and credit default swaps.

The Target Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase.

The Target Fund may also make distribution from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

The base currency of the Target Fund is USD.

4.8.2 FTIF-FUSOF

The Target Fund invests principally in equity securities of US companies demonstrating accelerating growth, increasing profitability, or above average growth or growth potential as compared with the overall economy. Equity securities generally entitle the holder to participate in a company's general operating results. They include common stocks, convertible securities and warrants on securities.

The Target Fund principally invests in small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors. In selecting equity investments, the Investment Manager utilises fundamental, bottom-up research focusing on companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. The Investment Manager focuses on sectors that have exceptional growth potential and fast growing, innovative companies within these sectors. In addition, solid management and sound financial records are factors the Investment Manager also considers. Although the Investment Manager searches for investments across a large number of sectors, the Target Fund, from time to time, may have significant positions in particular sectors such as technology (including electronic technology, technology services, biotechnology and health care technology).

The base currency of the Target Fund is USD.

Exposure to securities lending transactions
The expected level of exposure to securities lending transactions is below or equal to 5% of the Target Fund's net assets, subject to a maximum of 50%.

4.8.3 FTIF-TGF

The Target Fund seeks to achieve its objective through a policy of investing in equity securities of companies throughout the world, including Emerging Markets. The Target Fund invests principally in common stocks.

Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Target Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock, and fixed income securities, which are US dollar and non-US dollar denominated.

The base currency of the Target Fund is USD.

Exposure to securities lending transactions
The expected level of exposure to securities lending transactions is below or equal to 5% of the Target Fund's net assets, subject to a maximum of 50%.

4.8.4 FTIF-TASCF

The Target Fund invests primarily in transferable equity securities as well as depository receipts of small-cap companies (i) which are incorporated in the Asia region, and/or (ii) which have their principal business activities in the Asia region*. The Asia region* includes but is not limited to the following countries: Bangladesh, Cambodia, Hong Kong, India, Indonesia, Korea, Malaysia, mainland China, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam. Furthermore, for the purpose of the Target Fund's investment objective, Asian small-cap companies are those having a market capitalisation at the time of initial purchase within the range of the market capitalisations of companies included in the MSCI AC Asia ex-Japan Small Cap Index (Index). Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Target Fund.

In addition, since the investment objective is more likely to be achieved through an investment policy which is flexible and adaptable, the Target Fund may also invest in participatory notes and other types of transferable securities, including equity and fixed income securities of issuers worldwide.

* *The Investment Manager of the Target Fund does not intend to invest in Japan.*

The Target Fund may invest up to 10% of its net assets in aggregate in China A-Shares (through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect) and in China B-Shares.

Please note that the reference to "transferable equity securities" refers to equities and equity related securities (i.e., warrants, options and equity linked notes).

The base currency of the Target Fund is USD.

4.8.5 FTIF-TGBF

The Target Fund seeks to achieve its objective by investing principally in equity securities and government debt securities issued by entities throughout the world, including Emerging Markets.

The Investment Manager anticipates that the majority of the Target Fund's portfolio is normally invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected principally on the basis of their capital growth potential. The Target Fund seeks income by investing in fixed or floating-rate debt securities (including up to 5% of the Target Fund's net assets in non-investment grade securities) and debt obligations issued by government and government-related issuers or corporate entities worldwide. The Target Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Target Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 40% of the Target Fund's net assets into fixed income securities.

The Target Fund may also utilise financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on either (i) regulated markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards.

The Target Fund may also make distribution from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

The base currency of the Target Fund is USD.

Exposure to securities lending transactions
The expected level of exposure to securities lending transactions is below or equal to 5% of the Target Fund's net assets, subject to a maximum of 50%.

4.9 PERFORMANCE BENCHMARKS

TARGET FUNDS	PERFORMANCE BENCHMARKS
FTIF-TGTRF	Bloomberg Barclays Multiverse Index as its benchmark. Source: Bloomberg ~ Ticker for Bloomberg Barclays Multiverse Index: LF93TRUU
FTIF-FUSOF	Russell 3000 Growth Index as its benchmark. Source: Bloomberg ~ Ticker for Russell 3000 Growth Index: RAG
FTIF-TGF	MSCI All Country World Index as its benchmark. Source: MSCI ~ Ticker for MSCI All Country World Index: MXWD
FTIF-TASCF	MSCI All Country Asia ex-Japan Small Cap Index as its benchmark. Source: MSCI ~ Ticker for MSCI All Country Asia ex-Japan Small Cap Index: MXASJSC
FTIF-TGBF	Custom 65% MSCI All Country World Index + 35% JP Morgan Global Government Bond Index as its benchmark. Source: MSCI ~ Ticker for MSCI All Country World Index: MXWD J.P. Morgan ~ Ticker for J.P. Morgan Government Bond Index: JPMGGLBL

4.10 PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS AND LIMITS OF THE TARGET FUNDS

4.10.1 INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

a) The Company will invest in one or more of the following type of investments:

(i) transferable securities and money market instruments admitted to or dealt on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (as amended) on markets in financial instruments;

(ii) transferable securities and money market instruments dealt on another market in an EU Member State which is regulated, operates regularly and is recognised and open to the public;

(iii) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt on another market in a non-EU Member State, which is regulated, operates regularly and is recognised and open to the public;

(iv) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market, in the countries of the areas referred to under Section 4.10.1(a)(i), (ii) and (iii) above, which operates regularly and is recognised and open to the public, and such admission is secured within a year of the purchase;

(v) units of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:

- such other UCIs have been authorised under the laws of any EU Member State or under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in EU law and that cooperation between authorities is sufficiently ensured,
- the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 (as amended),
- the business of such 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;

For the purpose of these restriction and limits, the following definitions shall apply:

"UCITS" shall mean an undertaking for collective investment in transferable securities authorised according to Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009, as amended;

"other UCI" shall mean an undertaking for collective investment within the meaning of Article 1, paragraph (2), point a) and b) of Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009, as amended.

(vi) 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 an EU Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in EU law;

(vii) financial derivative instruments, including equivalent cash-settled instruments, dealt on a regulated market referred to in Section 4.10.1(a)(i) to (iv) above, and/or financial derivative instruments dealt over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this Section 4.10.1(a), financial indices, interest rates, foreign exchange rates or currencies, in which the Target 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 Luxembourg supervisory authority,
- 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 Company's initiative,

(viii) money market instruments other than those dealt on a regulated market and which fall under Section 4.10.1(a), if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt on regulated markets referred to above, or
- issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by the EU law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by EU law, or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least 10 million euro and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC (as amended), is an entity which, within a group of companies which include 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.

b) The Company may invest up to 10% of the net assets of each Target Fund in transferable securities and money market instruments other than those referred to in Section 4.10.1(a) above;

c) Each Target Fund of the Company may hold ancillary liquid assets;

d) (i) Each Target Fund of the Company may invest no more than 10% of its net assets in transferable securities and money market instruments issued by the same body. Each Target Fund of the Company may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Target Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in Section 4.10.1(a)(vi) above or 5% of its net assets in other cases.

(ii) The total value of the transferable securities and money market instruments held in the issuing bodies in each of which any Target Fund invests more than 5% of its net assets must not exceed 40 % of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in Section 4.10.1(d)(i) above, a Target Fund may not combine:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body,

in excess of 20% of its net assets.

(iii) The limit laid down under the first sentence of Section 4.10.1(d)(i) above shall be of 35% where a Target Fund has invested in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.

(iv) The limit laid down under the first sentence of Section 4.10.1(d)(i) above shall be of 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Target Fund invests more than 5% of its net assets in the bonds above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.

(v) The transferable securities and money market instruments referred to in Section 4.10.1(d) (iii) and (iv) above are not included in the calculation of the limit of 40% referred to in paragraph Section 4.10.1(d)(ii) above.

The limit set out above under Section 4.10.1(d)(i), (ii), (iii) and (iv) 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 Section 4.10.1(d)(i), (ii), (iii) and (iv) may not exceed a total of 35% of the net assets of the Target Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC (as amended) or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained under Section 4.10.1(d). A Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(vi) Without prejudice to the limits laid down in Section 4.10.1(e) below, the limits laid down in this paragraph Section 4.10.1(d) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided:

- 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 laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

(vii) where any Target Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other state of the OECD, by Singapore or any member state of the G20, the Company may invest 100% of the assets of any Target Fund in such securities provided that such Target Fund must hold securities from at least six different issues and securities from one issue must not account for more than 30% of that Target Fund's net assets.

e) The Company or the Target Fund may not invest in voting shares of companies allowing it to exercise a significant influence in the management of the issuer. Further, the Target Fund may acquire no more than (i) 10% of the non voting shares of any single issuing body, (ii) 10% of the debt securities of any single issuing body, (iii) 25% of the units of any single collective investment undertaking, (iv) 10% of the money market instruments of any single issuing body. However, the limits laid down under (ii), (iii) and (iv) may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The limits under this section 4.10.1(e) shall not apply to (i) transferable securities or money market instruments issued or guaranteed by a Member State, its local authorities, or public international bodies of which one or more Member States are members or by any other state, nor to (ii) shares held by the Company in the capital of a company incorporated in a state which is not a Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state, provided that, however, the Company, in its investment policy, complies with the limits laid down in Articles 43 and 46 and in paragraphs (1) and (2) of Article 48 of the Law of 17 December 2010.

f) (i) Unless otherwise provided in the investment policy of a Target Fund, each Target Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

(ii) In the case restriction in Section 4.10.1(f)(i) above is not applicable to a specific Target Fund, as provided in its investment policy, such Target Fund may acquire units of UCITS and/or other UCIs referred to in Section 4.10.1(a)(v), provided that no more than 20% of a Target Fund's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a UCITS and/or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

(iii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Target Fund.

(iv) When a Target Fund invests in the units of UCITS and/or other UCIs linked to the Company by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Target Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Target Fund and each of the UCITS or other UCIs concerned shall not exceed 2% of the value of the relevant investments. The Company will indicate in its annual report the total management fees charged both to the relevant Target Fund and to the UCITS and other UCIs in which such Target Fund has invested during the relevant period.

(v) The Target Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In the case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

(vi) The underlying investments held by the UCITS or other UCIs in which the Target Fund invests do not have to be considered for the purpose of the investment restrictions set forth under Section 4.10.1(d) above.

g) A Target Fund may subscribe, acquire and/or hold shares to be issued or issued by one or more other target funds (each a "Target of Target Fund") without the Target Fund being subject to the requirements of the law of 10 August 1915 on commercial companies (as amended) with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

(i) The Target of Target Fund does not, in turn, invest in the investing Target Fund; and

(ii) No more than 10% of the assets that the Target of Target Fund whose acquisition is contemplated may be invested in units of UCITS and/or other UCIs; and

(iii) Voting rights, if any, attaching to the shares of the Target of Target Fund are suspended for as long as they are held by the Target Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(iv) In any event, for as long as these shares are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and

(v) There is no duplication of management/entry or sale charges between those at the level of the Target Fund having invested in the Target of Target Fund, and this Target of Target Fund.

h) The Company may not (i) acquire for the benefit of any Target Fund securities which are partly paid or not paid or involving liability (contingent or otherwise) unless according to the terms of issue such securities will or may at the option of the holder become free of such liabilities within one year of such acquisition and (ii) underwrite or subunderwrite securities of other issuers for any Target Fund.

i) The Company may not purchase or otherwise acquire any investment in which the liability of the holder is unlimited.

j) The Company may not purchase securities or debt instruments issued by the Investment Managers of the Target Fund or any connected person or by the management company of the Target Funds.

k) The Company may not purchase any securities on margin (except that the Company may, within the limits set forth in Section 4.10.2(e) below, obtain such short term credit as may be necessary for the clearance of purchases or sales of securities) or make uncovered sales of transferable securities, money market instruments or other financial instruments referred to above; except that the Company may make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).

4.10.2 INVESTMENT IN OTHER ASSETS

a) The Company may not purchase real estate, nor acquire any options, rights or interest in respect thereof, provided that the Company may invest for the account of any Target Fund in securities secured by real estate or interest therein or in securities of companies investing in real estate.

b) The Company may not make investments in precious metals or certificates representing them.

c) The Company may not enter into direct commodities transactions or commodity contracts, except that the Company may, in order to hedge risk, enter into financial futures on such transactions within the limits laid down in Section 4.10.3 below.

d) The Company may not make loans to other persons or act as a guarantor on behalf of third parties or assume, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness or any person in respect of borrowed monies, provided that for the purpose of this restriction:

   (i) the acquisition of bonds, debentures or other corporate or sovereign debt obligations (whether wholly or partly paid) and investment in securities issued or guaranteed by a member country of the OECD or by any supranational institution, organisation or authority, short-term commercial paper, certificates of deposit and bankers' acceptances of prime issuers or other traded debt instruments shall not be deemed to be the making of a loan; and

   (ii) the purchase of foreign currency by way of a back-to-back loan shall not be deemed to be the making of a loan.

e) The Company may not borrow for the account of any Target Fund, other than amounts which do not in aggregate exceed 10% of the net assets of the Target Fund, taken at market value and then only as a temporary measure. The Company may, however, acquire foreign currency by means of a back-to-back loan.

f) The Company may not mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any of the securities or other assets of any Target Fund, except as may be necessary in connection with the borrowings mentioned in Section 4.10.2(e) above. The purchase or sale of securities on a when-issued or delayed-delivery basis, and collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed the pledge of the assets.

4.10.3 FINANCIAL DERIVATIVE INSTRUMENTS

The Company may use financial derivative instruments for investment, hedging and efficient portfolio management purposes, within the limits of the Law of 17 December 2010. Under no circumstances shall the use of these instruments and techniques cause a Target Fund to diverge from its investment policy.

The Target Fund may invest in financial derivative instruments within the limits laid down in Section 4.10.1. a) (vii) provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 4.10.1. d) (i) to (v). When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined in respect of the limits laid down in Section 4.10.1. d). When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The Company on behalf of a Target Fund may only choose swap counterparties that are first class financial institutions selected by the board of directors of the Company and that are subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of OTC derivative transactions and specialised in these types of transactions.

As the case may be, collateral received by each Target Fund in relation to OTC derivative transactions may offset net exposure by counterparty if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability as further set out below. Collateral primarily consist of cash and highly rated sovereign bonds. Collateral value is reduced by a percentage (a "haircut") which provides for short term fluctuations in the value of the collateral. Net exposures are calculated daily by counterparty and subject to the terms of the agreements, including a minimum transfer amount, collateral levels may fluctuate between the Target Fund and the counterparty depending on the market movement of the exposure.

Non-cash collateral received is not sold, reinvested or pledged. Cash collateral may be reinvested in a manner consistent with the provisions established in the Credit Support Annex ("CSA") of the International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") executed with the relevant counterparty and with the risk diversification requirements detailed in Section 4.10 of this Information Memorandum in (a) shares or units issued by short term money market undertakings for collective investment as defined in the Guidelines on a Common Definition of European Money Market Funds, (b) deposits with credit institutional having its registered office in a Member State or with a credit institution situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, (c) high quality government bonds that are deemed eligible collateral according to the terms of the CSA of the ISDA Master Agreement, and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Company may recall at any time the full amount of cash on accrued basis. The Company has policies with respect to the reinvestment of collateral (specifically, that derivatives or other instruments that may contribute to leverage may not be used) such that it would not impact the Global Exposure calculation.

In accordance with the criteria laid down in the precedent paragraph, a Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that such Target Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of such Target Fund’s net assets.

The Global Exposure relating to financial derivative instruments 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.

The Company shall ensure that the Global Exposure of each Target Fund relating to financial derivative instruments does not exceed the total net assets of that Target Fund. The Target Fund’s overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in clause 2. e) above) so that it may not exceed 210% of any Target Fund's total net assets under any circumstances.

The Target Funds apply either the Value-at-Risk (VaR) or the Commitment Approach to calculate their Global Exposure, whichever is deemed to be appropriate.

When the investment objective of a Target Fund indicates a benchmark against which the performance might be compared, the method used to calculate the Global Exposure may consider a different benchmark than the one mentioned for performance or volatility purposes in said Target Fund’s investment objective.

Currency Hedging

The Company may, in respect of each Target Fund, for the purpose of hedging currency risks, have outstanding commitments in forward currency contracts, currency futures, written call options and purchased put options on currencies and currency swaps either quoted on an exchange or dealt in on a regulated market or entered into with highly rated financial institutions.

Subject to the implementation of the currency hedging techniques below, commitments in one currency may not exceed the aggregate value of securities and other assets held by the Target Fund denominated in such currency (or other currencies that fluctuate in a substantially similar manner to such currency).

In this context, the Company may, in respect of each Target Fund, engage in the following currency hedging techniques:

- hedging by proxy, i.e. a technique whereby a Target Fund effects a hedge of the reference currency of the Target Fund (or benchmark or currency exposure of the assets of the Target Fund) against exposure in one currency by instead selling (or purchasing) another currency closely related to it, provided however that these currencies are indeed likely to fluctuate in the same manner. Guidelines followed in determining that one currency moves in a substantially similar manner to another currency include the following: i) the correlation of one currency to another currency is proven over a significant period of time to be over 85%; ii) the two currencies are, by explicit government policy, scheduled to participate in European Monetary Union on a set future date (which would include using the euro itself as a proxy for hedging bond positions denominated in other currencies scheduled to become part of the euro on a set future date); and iii) the currency used as the hedging vehicle against the other currency is part of a currency basket against which the central bank for that other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate.

- cross–hedging, i.e. a technique whereby a Target Fund sells a currency to which it is exposed and purchases more of another currency to which the Fund may also be exposed, the level of the base currency being left unchanged, provided however that all such currencies are currencies of the countries which are at that time within the Target Fund's benchmark or investment policy and the technique is used as an efficient method to gain the desired currency and asset exposures.

- anticipatory hedging, i.e. a technique whereby the decision to take a position on a given currency and the decision to have some securities held in a Target Fund's portfolio denominated in that currency are separate, provided however that the currency which is bought in anticipation of a later purchase of underlying portfolio securities is a currency associated with those countries which are within the Target Fund's benchmark or investment policy.

Total return swaps transactions

If the Target Fund, which is authorised as per its investment policy to invest in total return swaps, does not enter into such transactions as of the date of the Luxembourg Prospectus may however enter into total return swaps transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 30% and that the relevant section relating to the Target Fund is updated accordingly at the next available opportunity. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Target Fund's investment portfolio or over the underlying of the total return swap. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process.

The following types of assets can be subject to total return swaps: equity, currency and/or commodity indices (such as, but not limited to Morgan Stanley Balanced Ex Energy Index, Morgan Stanley Balanced Ex Grains Index, Morgan Stanley Balanced Ex Industrial Metals Index, Morgan Stanley Balanced Ex Precious Metals Index or Morgan Stanley Balanced Ex Softs Index), volatility variance swaps as well as fixed income, most notably high yield corporate and bank loan related exposures.

The risk of counterparty default and the effect on investors returns are more fully described under section "Risk Considerations".

Where the Target Fund enters into total return swaps transactions as of the date of the Luxembourg Prospectus, the expected proportion of the Target Fund's net assets that could be subject to total return swaps transactions shall be calculated as the sum of notionals of the derivatives used and is set out in the "Fund information, objectives and investment policies" section of the Luxembourg Prospectus. If and when the Target Fund enters into total return swaps transactions, it is for the purpose of generating additional capital or income and/or for reducing costs or risks.

All revenues arising from total return swaps transactions will be returned to the Target Fund, and the Management Company will not take any fees or costs out of those revenues additional to the investment management fee for the Target Fund as set out under section "Investment Management Fees" of the Luxembourg Prospectus.

4.10.4 USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

(a) <u>Repurchase transactions and securities lending transactions</u>

(i) Types and purpose

To the maximum extent allowed by, and within the limits set forth in, the law of 17 December 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and the Luxembourg supervisory authority's positions (the "Regulations"), in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law of 20 December 2002 on undertakings for collective investment and of (ii) CSSF Circulars 08/356 and 14/592, the Target Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions and (B) engage in securities lending transactions.

As the case may be, collateral received by the Target Fund in relation to any of these transactions may offset net exposure by the counterparty if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability as further set out below.

The form and nature of the collateral will primarily consist of cash and highly rated sovereign fixed income securities that meets particular ratings criteria and will be equal to or greater than the value of the securities lent. Eligible collateral for securities lending transactions would be negotiable debt obligations (collectively "AA - Level Sovereign Bonds") issued by governments (such as Australia, Belgium, Canada, Denmark, France, Germany, the Netherlands, Norway, New Zealand, Sweden, Switzerland, the United States, the United Kingdom, etc.), having a credit rating of at least AA- from S&P and/or Aa3 from Moody’s, respectively and denominated in the official currency of the relevant country and issued on the relevant domestic market (but excluding derivatives of other securities and inflation-linked securities). The collateral received by the Company in respect of repurchase agreements transactions may be US Treasury bills or US government agency bonds supported by the full faith and credit of the US government. Acceptable tri-party collateral to the Custodial Undertaking in connection with the Master Repurchase agreement include, US Treasuries (Bill, Notes, and Bonds), and the following Government Sponsored Agencies: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp (FHLMC), and Federal Farm Credit System (FFCB).

The collateral shall have a final maturity of no more than 5 years from the date the repurchase transaction is entered.

The value of the securities shall also be equal to, or greater than, 102% of the amount of the repurchase transaction. Collateral value is reduced by a percentage (a "haircut") which provides for short term fluctuations in the value of the collateral as further detailed in the table below in section (iv) Collateral. Net exposures are calculated daily by the counterparty and subject to the terms of the agreements, including a minimum transfer amount, collateral levels may fluctuate between the Target Fund and the counterparty depending on the market movement of the exposure.

Non-cash collateral received is not sold, reinvested or pledged.

Cash collateral received by the Target Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the Target Fund and with the risk diversification requirements detailed in Section 4.10 in (a) shares or units issued by short term money market undertakings for collective investment as defined in the Guidelines on a Common Definition of European Money Market Funds, (b) deposits with credit institutional having its registered office in a Member State or with a credit institution situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, (c) high quality government bonds, and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Company may recall at any time the full amount of cash on accrued basis. The Company has policies with respect to the reinvestment of collateral (specifically, that derivatives or other instruments that may contribute to leverage may not be used) such that it would not impact the Global Exposure calculation.

In accordance with the criteria laid down in the precedent paragraph, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that the Target Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of the Target Fund's net assets.

(ii) Limits and conditions

– **Securities lending transactions**

Unless otherwise provided in the Target Fund's investment policy, the Target Fund may utilise up to 50% of its assets for securities lending transactions. The volume of the securities lending transactions of the Target Fund shall be kept at an appropriate level or the Target Fund shall be entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Target Fund's assets in accordance with its investment policy. The counterparties to securities lending transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process.

When entering into securities lending transactions, the Target Fund must also comply with the following requirements:

(i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(ii) The Target Fund may lend securities to a counterparty directly (A) itself or (B) as part of a standardised lending system organised by a recognised clearing house or by a first-class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction. Goldman Sachs International Bank and JPMorgan Chase Bank, N.A., London Branch, shall act as lending agents for securities lending on behalf of the Target Fund;

(iii) The Target Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement;

As of date of the the Luxembourg Prospectus, equity securities is the only type of assets subject to securities lending transactions.

Where the Target Fund enters into securities lending transactions as of the date of the the Luxembourg Prospectus, the expected proportion of the Target Fund's net assets that could be subject to securities lending transactions is set out in the investment objectives and investment policies and strategies of the respective Target Funds.

If the Target Fund does not enter into securities lending transactions as of the date of the the Luxembourg Prospectus, it may however enter into securities lending transactions provided that the maximum proportion of the net assets of that Target Fund that could be subject to such transactions does not exceed 50% and that the relevant section relating to this individual Target Fund is updated accordingly at the next available opportunity.

The risks related to the use of securities lending transactions and the effect on investors returns are more fully described under section "Risk Considerations".

– **Repurchase and reverse repurchase agreement transactions**

Unless otherwise provided in the Target Fund's investment policy, the Target Fund may utilise up to 50% of its assets for repurchase agreement transactions, but the Target Fund's exposure to any single counterparty in respect of repurchase agreement transactions is limited to (i) 10% of its assets where the counterparty is a credit institution having its registered office in an EU Member State or subject to equivalent prudential rules, and (ii) 5% of its assets in other cases. The counterparties to repurchase agreement transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The volume of the repurchase agreement transactions of the Target Fund shall be kept at a level such that the Target Fund is able, at all times, to meet its redemption obligations towards shareholders. Further, the Target Fund must ensure that, at maturity of the repurchase agreement transactions, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution of the securities to the Target Fund. Any incremental income generated from repurchase agreement transactions will be accrued to the Target Fund.

The following types of assets can be subject to repurchase agreement transactions: sovereign debt, corporate and government bonds, non-agency residential mortgage-backed securities and commercial mortgage-backed securities, possibly other asset-backed securities.

Where the Target Fund enters into repurchase agreement transactions as of the date of the the Luxembourg Prospectus, the expected proportion of the Target Fund's net assets that could be subject to repurchase agreement transactions is set out in the investment objectives and investment policies and strategies of the respective Target Funds.

If the Target Fund does not enter into repurchase agreement transactions as of the date of the the Luxembourg Prospectus, it may however enter into repurchase agreement transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 50% and that the Target Fund policy is updated accordingly at the next available opportunity.

The following types of assets can be subject to reverse repurchase agreement transactions: sovereign debt, corporate and government bonds, non-agency residential mortgage-backed securities and commercial mortgage-backed securities, possibly other asset-backed securities.

Where the Target Fund enters into reverse repurchase agreement transactions as of the date of the the Luxembourg Prospectus, the expected proportion of the Target Fund's net assets that could be subject to reverse repurchase agreement transactions is set out in the investment objectives and investment policies and strategies of the respective Target Funds.

If the Target Fund does not enter into reverse repurchase agreement transactions as of the date of the the Luxembourg Prospectus, it may however enter into reverse repurchase agreement transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 50% and that the Target Fund policy is updated accordingly at the next available opportunity.

– **Costs and revenues of securities lending and/or repurchase and/or reverse repurchase agreement transactions**

Direct and indirect operational costs and fees arising from securities lending transactions and/or repurchase and/or reverse repurchase agreement transactions may be deducted from the revenue delivered to the Target Fund. These costs and fees shall not include hidden revenue. All the revenues arising from such transactions, net of direct and indirect operational costs, will be returned to the Target Fund. The annual report of the Company shall contain details of the revenues arising from securities lending transactions and/or repurchase agreement and/or reverse repurchase transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers or other financial institutions or intermediaries and may be related parties to the management company of the Target Fund and/or the depositary bank.

All revenues arising from repurchase and/or reverse repurchase agreement transactions will be returned to the Target Fund, and the management company of the Target Fund will not take any fees or costs out of those revenues additional to the investment management fee for the Target Fund.

The securities lending agent receives a fee of up to 10% of the gross revenue generated as a result of the lent securities for its services, the remainder of the revenue being received and retained by the Target Fund. Any incremental income generated from securities lending transactions will be accrued to the Target Fund.

(iii) Conflicts of Interest

No conflicts of interest to note. The Investment Manager of the Target Fund does not intend to lend the securities of the Target Fund to its related corporations.

(iv) Collateral

Collateral received by the Target Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

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

(c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Target Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. In such event, the Target Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Target Fund's net asset value;

(e) It should be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty;

(f) Where there is a title transfer, the collateral received will be held by the depositary in accordance with the depositary's safekeeping duties under the depositary agreement which governs the depositary. For other types of collateral arrangements, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral; and

(g) Collateral received shall have a quality of credit of investment grade.

Collateral will be valued on each Valuation Day, using the last available market prices as per ISDA guidelines and taking into account appropriate discounts determined for each asset class based on the applicable haircut policy. The collateral will be marked to market daily and depending on the current market exposure and collateral balance, the collateral may be subject to variation margin movement when and if certain predetermined thresholds are crossed.

The following haircuts for collateral are applied by the management company of the Target Fund it being noted that the latter reserves the right to vary this policy at any time:

Eligible Collateral	**Haircut**
Cash	100%
US Treasury - 1 year or less	97% - 100%
US Treasury -1 year to 5 years	95% - 100%
US Treasury - 5 years or greater	95% - 100%
US Treasury - 5 year to 10 years	95% - 100%
US Treasury - 10 years to 30 years	90% - 100%
Detailed information on Sovereign Bonds	**Haircut**
Sovereign Bonds - less than 1 year	99% - 100%
Sovereign Bonds - 1 to 2 years	95 - 100%
Sovereign Bonds - 2 to 5 years	95 - 100%
Sovereign Bonds - 5 to 10 years	90 - 100%
Sovereign Bonds - 10 to 20 years	N/A
Sovereign Bonds - 20 to 30 years	85 - 100%

Haircut levels are agreed on a counterparty by counterparty basis and reflected in CSA to ISDA guidelines. Haircut levels are monitored and reconciled on an ongoing basis (through collateral management systems) to identify any variation of the agreed applicable haircut policy. Application of different (non-agreed) haircut level impacting collateral valuation is escalated with the relevant counterparty. Haircut levels may additionally be amended due to a change in creditworthiness of a given counterparty.

4.11 RISK MANAGEMENT

The management company of the Target Funds employs a risk-management process which enables it to monitor and measure at any time the risk of the positions of the Company and their contribution to the overall risk profile of each Target Fund's portfolio. The management company of the Target Funds and the Investment Managers of the Target Funds employ a process for accurate and independent assessment of the value of OTC derivative instruments.

Upon request of an investor, the management company of the Target Funds will provide supplementary information relating to the quantitative limits that apply in the risk management of each Target Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

4.12 BASES FOR VALUATION AND VALUATION OF THE TARGET FUNDS

4.12.1 BASES FOR VALUATION

The assets of the Company shall be deemed to include:

(a) all cash on hand or on deposit, including any interest accrued thereon;

(b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);

(c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other derivative instruments, units or shares of undertakings for collective investment and other investments and securities owned or contracted for by the Company;

(d) all stock, dividends, cash dividends and cash distributions receivable by the Company and to the extent known by the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

(e) all interest accrued on any interest-bearing securities owned by the Company, except to the extent that the same is included or reflected in the principal amount of such security;

(f) the formation expenses of the Company in so far as the same have not been written off; and

(g) all other assets of every kind and nature, including prepaid expenses.

Total liabilities include:

(a) all loans, bills and accounts payable;

(b) all accrued or payable administrative expenses (including investment management and/or advisory fees, depository fees, and corporate agents' fees);

(c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;

(d) an appropriate provision for future taxes based on capital and income to the valuation day, as determined from time to time by the Company, and other provisions, if any, authorised and approved by the board of directors of the Company covering among other liabilities liquidation expenses; and

(e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares in the Company. In determining the amount of such liabilities the Company shall take into account all relevant expenses payable by the Company comprising formation expenses, fees and expenses at the accounts, fees payable to the management company of the Target Funds for the performance of its various services and for those rendered by the Investment Managers of the Target Funds and/or investment advisers, the depositary and local paying agents and permanent representatives in places of registration, any other agent employed by the Company, fees for legal and auditing services, insurance premiums, printing, reporting and publishing expenses, including the cost of preparing and printing of the prospectuses, KIIDs (which means a key investor information document within the meaning of article 159 of the

Luxembourg Law of 17 December 2010), explanatory memoranda or registration statements, taxes or governmental charges, all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and facsimile. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

For the purpose of this Section 4.12.1(e), the following definition shall apply:

“KIIDs” shall mean a Key Investor Information Document within the meaning of article 159 of the Law of 17 December 2010.

4.12.2 DETERMINATION OF THE NET ASSET VALUE OF THE TARGET FUNDS

In determining the net asset value of the Company, the management company of the Target Funds values cash and receivables at their realisable amounts and records interests as accrued and dividends on the ex-dividend date. The management company of the Target Funds generally utilises two independent pricing services to assist in determining a current market value for each security. If market quotations are readily available for portfolio securities quoted or dealt on a stock exchange, the management company of the Target Funds will value those securities at their latest available price on the said stock exchange (last quoted sale price or official closing price of the day, respectively), or if there is no reported sale, within the range of the most recent bid and ask prices. Securities dealt on an organised market will be valued in a manner as near as possible to that for quoted securities.

The management company of the Target Funds values over-the-counter portfolio securities acquired by a Target Fund in accordance with the investment restrictions set forth in Section 4.10.1 above, within the range of the most recent bid and ask prices. If portfolio securities trade both in the over-the-counter market and on a stock exchange, the management company of the Target Funds values them according to the broadest and most representative market as determined by the board of directors of the Company.

Generally, trading in corporate bonds, government securities or money market instruments is substantially completed each day at various times before the close of the New York Stock Exchange. The value of these securities used in computing the NAV is determined as of such times. Occasionally, events affecting the values of these securities may occur between the times at which they are determined and the close of the New York Stock Exchange that will not be reflected in the computation of the net asset value. The management company of the Target Funds relies on third party pricing vendors to monitor for events materially affecting the value of these securities during this period. If an event occurs the third party vendors will provide revised values to the management company of the Target Funds.

The value of securities not quoted or dealt on a stock exchange or an organised market and of securities which are so quoted or dealt in, but in respect of which no price quotation is available or the price quoted is not representative of the securities' fair market value shall be determined by or under the direction of the board of directors of the Company. Short-dated debt transferable securities and money market instruments not traded on a regulated exchange are usually valued on an amortised cost basis.

Since the Company may, in accordance with the investment restrictions set forth in Section 4.10.1 above, invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The management company of the Target Funds has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced (such as in the case of trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). Some methods for valuing these securities may include: fundamental analysis (earnings multiple, etc.), matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities.

The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Company could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the management company of the Target Funds determines the Company's net asset value per share.

Trading in securities on foreign securities stock exchanges and over-the-counter markets, such as those in Europe and the Asia region, may be normally completed well before the New York Stock Exchange closing time on each day that the New York Stock Exchange is open. Trading in European or Far Eastern securities generally, or in a particular country or countries, may not take place on every Valuation Day. Furthermore, trading may take place in various foreign markets on days that are not Valuation Days and on which the Target Fund's net asset value is not calculated. Thus, the calculation of the shares' net asset value does not take place contemporaneously with the determination of the prices of many of the portfolio securities used in the calculation and, if events materially affecting the values of these foreign securities occur, the securities will be valued at fair value as determined and approved in good faith by or under the direction of the management company of the Target Funds.

4.12.3 SWING PRICING ADJUSTMENT

A Target Fund may suffer reduction of the net asset value per share due to investors of the Target Fund (i.e., the Fund) purchasing, selling and/or switching in and out of the Target Fund at a price that does not reflect the dealing costs associated with the Target Fund's portfolio trades undertaken by the Investment Manager of the Target Fund to accommodate cash inflows or outflows.

In order to counter this dilution impact and to protect shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

If on any valuation day, the aggregate net investor(s) transactions in shares of a Target Fund exceed a pre-determined threshold (which may be close to, or at zero), as determined as a percentage of the net assets of that Target Fund from time to time by the board of directors of the Company based on objective criteria, the net asset value per share may be adjusted upwards or downwards to reflect the costs attributable to net inflows and net outflows respectively. The net inflows and net outflows will be determined by the Company based on the latest available information at the time of calculation of the net asset value.

Investors of the Target Fund (i.e., the Fund) are advised that the volatility of the Target Fund's net asset value might not reflect the true portfolio performance as a consequence of the application of swing pricing. Typically, such adjustment will increase the net asset value per share when there are net inflows into the Target Fund and decrease the net asset value per share when there are net outflows. The net asset value per share of each share class in a Target Fund will be calculated separately but any adjustment will, in percentage terms, affect the net asset value per share of each share class in a Target Fund identically.

As this adjustment is related to the inflows and outflows of money from the Target Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Company will need to make such adjustments.

The swing pricing mechanism may be applied across all Target Funds. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from Target Fund to Target Fund and will not exceed 2% of the original net asset value per share.

As the Fund invests in the Target Fund, and the net asset value of the Target Fund is used for daily valuation of the Fund, any price adjustment which affects the net asset value of the Target Fund will in turn affect the NAV of the Fund.

The investors of the Target Fund (i.e., the Fund) may request the price adjustment, which is available on request, from the management company of the Target Funds at its registered office.

4.12.4 SUSPENSION OF CALCULATION OF NET ASSET VALUE

1. The Company may suspend the determination of the net asset value of the shares of any particular Target Fund and the purchase and sale of the shares of such Target Fund during:

   (a) any period when any of the principal stock exchanges or markets of which any substantial portion of the investments of the Company attributable to such Target Fund from time to time are quoted is closed, or during which dealings therein are restricted or suspended; or

   (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Company attributable to such Target Fund would be impracticable; or

   (c) any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of any particular Target Fund or the current price or values on any stock exchange or market; or

   (d) any period when the Company is unable to repatriate funds for the purpose of making payments due on sale of such shares or any period when the transfer of funds involved in the realisation or acquisition of investments or payments due on sale of such shares cannot, in the opinion of the board of directors of the Company, be effected at normal rates of exchange; or

   (e) any period when the net asset value of shares of any Target Fund may not be determined accurately; or

   (f) during any period when in the opinion of the board of directors of the Company there exists unusual circumstances where it would be impractical or unfair towards the investors to continue dealing in the shares of any Target Fund or circumstances where a failure to do so might result in the investors or a Target Fund incurring any liability to taxation or suffering other pecuniary disadvantage or other detriment which the investors or a Target Fund might not otherwise have suffered; or

   (g) if the Company or a Target Fund is being or may be wound-up, on or following the date on which such decision is taken by the board of directors of the Company or notice is given to shareholders of a general meeting at which a resolution to wind-up the Company or a Target Fund is to be proposed; or

   (h) in the case of a merger, if the board of directors of the Company deems this to be justified for the protection of the shareholders; or

   (i) in the case of a suspension of the calculation of the net asset value of one or several underlying investment funds in which a Target Fund has invested a substantial portion of assets.

2. Any such suspension shall be publicised by the Company and shall be notified to shareholders requesting sale of their shares by the Company at the time of the filing of the irrevocable written request for such sale.

4.12.5 ALLOCATION OF ASSETS AND LIABILITIES

The board of directors of the Company shall establish a pool of assets for the shares of each Target Fund in the following manner:

1. (a) the proceeds from the issue of shares of each class of each Target Fund shall be applied in the books of the Company to the pool of assets established for that Target Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool as the assets from which it was derived and in each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;

(c) where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;

(d) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability shall be equally divided between all the pools or, as in so far as justified by the amounts, shall be allocated to the pools pro rata to the net asset value of the relevant pool;

(e) upon the record date for determination of the person entitled to any dividend on the shares of each class of any Target Fund, the net asset value of the shares of such Target Fund shall be reduced by the amount of such dividend declared.

2. If there have been created within any Target Fund two or several share classes, the allocation rules set out above apply, *mutatis mutandis*, to such classes.

3. For the purpose of the calculation of the net asset value, the valuation and the allocation as aforesaid, shares of the Company to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the valuation day, and from time to time, until the price therefor has been paid, shall be deemed to be a liability of the Company; all investments, cash balances and other assets of the Company expressed in currencies other than the currency of the relevant Target Fund shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the net asset value of shares; and effect shall be given on any valuation day to any purchases or sales of securities contracted for by the Company on such valuation day, to the extent practicable.

4.12.6 REDEMPTION OF SHARES OF THE TARGET FUNDS

Shares of the Target Fund may be sold (by a shareholder) on any dealing day in accordance with the terms set out in the Luxembourg Prospectus.

The Company has a policy which prescribes that, if on any one valuation day, the total redemption requests in respect of the shares of the Target Fund exceed 10% of the value of the shares of the Target Fund, the board of directors of the Company may declare that the redemption of all or part of the shares being redeemed may be deferred for a period not exceeding 10 Luxembourg bank business days and be valued at the relevant net asset value per share of the Target Fund determined on the valuation day(s) on which the shares of the Target Fund are redeemed. On such valuation day(s), these requests for redemption will be complied with in priority to later requests.

Note to Unit Holders of the Fund
Unit Holders should be aware that redemption proceeds to Unit Holders are usually paid from the liquid assets held by the Fund and when these liquid assets are insufficient, the Manager will have to redeem shares of the Target Fund.

Consequently, Unit Holders should also be aware that if on any Business Day the Target Fund receives redemption requests which amount to more than 10% of the value of the shares of the Target Fund, the Manager may not be able to comply with the redemption payment period of 10 Business Days. The redemption payment period in such circumstances shall not exceed 15 Business Days from the receipt of the completed redemption form.

4.13 FEES CHARGEABLE BY THE TARGET FUNDS

Direct Fees charged by a Target Fund

Initial Charge:
No initial charge will be imposed by the Target Funds as the Funds will be investing in Class X (Ydis) USD shares of the Target Funds which do not impose any initial charge.

Contingent Deferred Sales Charge* ("CDSC"):
No CDSC will be imposed by the Target Funds on the Funds.

**Note:*
A CDSC is a fee imposed by the Target Fund when shares of the Target Fund are sold, typically during the first few years of ownership.

Indirect Fees Charged by the Target Fund

Annual Management Fee:
No annual management fee is charged for investments in Class X (Ydis) USD shares of the Target Funds. Accordingly, there will be no double charging of annual management fees.

Other Fees Charged to the Target Fund:
Other fees and expenses include:

- Depository fee: a maximum of 0.14% of the net asset value of each of the Target Fund (with possible higher annual custodian fees for funds of the Company which investment objectives and policies provide for investments in equity securities of issuers in developing countries, as reflected in more detail in such funds' relevant total expense ratio and in the Company's financial reports).
- Registrar and transfer, corporate, domiciliary and administrative agent fee: a maximum annual fee of 0.20% of the NAV of each of the Target Fund, an additional amount per investor holding at the relevant class level over a 1 year period (i.e. US$30 per account plus 1.75bps), and a fixed amount per year to cover part of its organisational expenses.

Other Expenses

The Company bears all its operating expenses, including without limitation the costs of buying and selling underlying securities, governmental and regulatory charges, legal and auditing fees, insurance premiums, interest charges, reporting and publication expenses postage, telephone and facsimile expenses.

4.14 DIVIDEND POLICY OF THE TARGET FUNDS

FTIF-TGTRF	FTIF-FUSOF	FTIF-TGF	FTIF-TASCF	FTIF-TGBF
Class X (Ydis)*	Class X (Ydis)*	Class X (Ydis)*	Class X (Ydis)*	Class X (Ydis)*
***Note:** *(Ydis) means yearly distribution of dividends.*				

Class X (Ydis) of the Target Fund seeks to provide dividends annually; the dividend may either be distributed to Shareholders in the form of cash or reinvested as additional Shares of the Target Fund.

UNIT HOLDERS MUST BE AWARE THAT THE EXPENSE RATIO OF THE PRIMARY SHARE CLASS IS DIFFERENT FROM THE EXPENSE RATIO OF CLASS X (Ydis) USD SHARES.

INVESTMENTS ARE SUBJECT TO INVESTMENT RISK AND RETURNS ARE NOT GUARANTEED, THE VALUE OF THE TARGET FUND MAY GO UP AS WELL AS DOWN AND PAST PERFORMANCE IS NOT AN INDICATION OF THE FUTURE PERFORMANCE.

CHAPTER 5: FEES, CHARGES AND EXPENSES

Expenses directly incurred by Unit Holders

5.1 SALES CHARGE

TGTRF		FUSOF		TGEF & TASCF		TGBF	
MYR Class	Up to 3.00%^* of the NAV per Unit.	**MYR Class**	Up to 5.00%^* of the NAV per Unit.	**Class A (MYR)**	Up to 5.00%* of the NAV per Unit.	**Class A (MYR)**	Up to 5.00%* of the NAV per Unit.
USD Class	Up to 3.00%^* of the NAV per Unit.	**USD Class**	Up to 5.00%^* of the NAV per Unit.	**Class A (USD)**	Up to 5.00%* of the NAV per Unit.	**Class A (USD)**	Up to 5.00%* of the NAV per Unit.
				Class I (MYR)	The Manager does not intend to impose any sales charge for this class.	Please note that only Class A (MYR) and Class A (USD) are available for this Fund.	

^ the rate is applicable to all classes of Units of that Fund.

** the rate disclosed is exclusive of GST.*

The above sales charge is applicable to all distribution channels. Subject to the maximum rate as stipulated above, investors can expect differing sales charge to be levied when buying Units from different distribution channels due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken by the investors. Investment through different distribution channels shall be subject to their respective terms and conditions.

Class I (MYR) for TGEF & TASCF is not offered for sale as at the date of this Replacement Master Information Memorandum. The Manager may, subject to economic, market conditions and investors' demand, offer the Class I (MYR) for TGEF & TASCF in the future by way of a supplemental or replacement Master Information Memorandum.

The Manager reserves the right to waive or reduce the sales charge from time to time at its absolute discretion.

Investors may negotiate for a lower sales charge through the sales and promotional campaigns from time to time or alternatively, investors may negotiate with their preferred distributors for a lower sales charge. Investment through the distributors shall be subject to their respective terms and conditions.

Please refer to the illustration under Section 6.4 below to see how the sales charge is calculated.

5.2 REDEMPTION CHARGE

The Manager does not intend to impose any Redemption Charge.

5.3 SWITCHING FEE

The Manager does not intend to impose any switching fees, however, Unit Holders are subject to the switching conditions set out under Section 6.6 of this Replacement Master Information Memorandum.

5.4 TRANSFER FEE

Not applicable as transfer of Units is not allowed for the Funds.

5.5 OTHER CHARGES

Charges, for instance bank charges, telegraphic charges and courier charges, shall be borne by the investor in order to execute transactions on behalf of the investor.

Expenses indirectly incurred by Unit Holders

5.6 MANAGEMENT FEE

TGTRF	**MYR Class**	1.40%* per annum of the NAV.
	USD Class	1.40%* per annum of the NAV.
FUSOF	**MYR Class**	1.75%* per annum of the NAV.
	USD Class	1.75%* per annum of the NAV.
TASCF	**Class A (MYR)**	1.85%* per annum of the NAV.
	Class A (USD)	1.85%* per annum of the NAV.
	Class I (MYR)	1.00%* per annum of the NAV.
TGEF	**Class A (MYR)**	1.75%* per annum of the NAV.
	Class A (USD)	1.75%* per annum of the NAV.
	Class I (MYR)	1.00%* per annum of the NAV.

TGBF	**Class A (MYR)**	1.50%* per annum of the NAV.
	Class A (USD)	1.50%* per annum of the NAV.

** the rate disclosed is exclusive of GST.*

Class I (MYR) for TGEF & TASCF is not offered for sale as at the date of this Replacement Master Information Memorandum. The Manager may, subject to economic, market conditions and investors' demand, offer the Class I (MYR) for TGEF & TASCF in the future by way of a supplemental or replacement Master Information Memorandum.

Please note that there will not be any double charging of management fees at the Fund level and Target Fund level. Each Fund will be investing in Class X (Ydis) USD shares of the respective Target Funds which do not impose any annual management fee.

Please refer to the illustration under Section 6.2 below to see how the management fee is calculated.

5.7 TRUSTEE FEE

0.05%* per annum of the NAV of the Fund, subject to a minimum of RM18,000* per annum (excluding foreign custodian fees and charges).

***Note:**
The annual trustee fee applies to the Funds as a whole, irrespective of classes of Units. The rate and amount disclosed is exclusive of GST.

Please refer to the illustration under Section 6.2 below to see how the trustee fee is calculated.

5.8 OTHER EXPENSES

Only the expenses (or part thereof) which are directly related to and necessary for the operation and administration of each Fund may be charged to the respective Fund. These would include (but are not limited to) the following:

(a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the each Fund, shown on the contract notes or confirmation notes;

(b) taxes and other duties charged on each Fund by the government and/or other authorities;

(c) costs, fees and expenses properly incurred by the auditor of the Fund;

(d) costs, fees and expenses incurred for the valuation of any investment of each Fund by independent valuers for the benefit of each Fund;

(e) costs, fees and expenses incurred for any modification of the Deed(s) save where such modification is for the benefit of the Manager and/or the Trustee;

(f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;

(g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of each Fund;

(h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of each Fund;

(i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor (including but not limited to legal adviser) for the benefit of each Fund;

(j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of each Fund;

(k) costs, fees and expenses incurred in the termination of each Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or fund manager;

(l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning each Fund or any asset of each Fund, including proceedings against the Trustee or the Manager by the other for the benefit of each Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by each Fund);

(m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;

(n) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign investments of each Fund;

(o) costs and fees incurred on financing subject to Section 3.9;

(p) costs and fees for the printing and posting of the quarterly reports and annual report for each Fund; and

(q) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above.

5.9 REBATES AND SOFT COMMISSION

The Manager and the Trustee will not retain any rebates from, or otherwise share in, any commission with any dealer in consideration for directing dealings in the investments of the Funds. Accordingly, any rebate and shared commission will be directed to the account of the Funds.

Notwithstanding the aforesaid, the Manager may retain goods and services by way of soft commissions provided by any dealer if:

(a) the goods and services are of demonstrable benefit to the Unit Holders in the form of research and advisory services that assist in the decision-making process relating to the Funds' investments; and

(b) any dealing with the dealer is executed on terms which are the most favourable for the Funds.

5.10 GOODS AND SERVICES TAX

With effect from 1 April 2015, in the event of the imposition of any GST, the Manager, the Trustee and other service providers may impose such GST in addition to any fees and/or charges in respect of any Units, and the Unit Holder and/or the Fund (as the case may be) shall pay all such GST as may be applicable.

Investors should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST.

CHAPTER 6: TRANSACTION INFORMATION

6.1 PRICING POLICY

The Manager will adopt a single pricing policy when calculating your subscription for and redemption of Units which means that the buying price per Unit and the redemption price per Unit will be transacted and quoted on a single price i.e., the NAV per Unit of the Fund.

The NAV per Unit of the Fund will be valued as at the next valuation point on a forward pricing basis which is T + 1 at 10.00 a.m. on every Business Day.

6.2 COMPUTATION OF NAV AND NAV PER UNIT

Example			
	Fund	**MYR Class**	**USD Class**
	All amounts are in MYR		
Opening NAV	**181,500,000.00**	**176,000,000.00**	**5,500,000.00**
Opening Units in circulation		160,000,000.00	1,800,000.00
Add/Less: Net creation/cancellation	1,166,100.00	550,000.00	616,100.00
New Units subscription		500,000.00	201,629.79
NAV before income & expenses	**182,666,100.00**	**176,550,000.00**	**6,116,100.00**
MCF Ratio (%)[1]	**100**	**96.6517596861**	**3.3482403139**
Market movement for the day	54,000.00	52,191.95	1,808.05
NAV before management fee & trustee fee	**182,720,100.00**	**176,602,191.95**	**6,117,908.05**
Management fee (@ 1.85% p.a) for the day	9,261.16	8,951.07	310.09
GST (@ 6% of management fee)	555.67	537.06	18.61
Trustee fee (@ 0.05% p.a) for the day	250.30	241.92	8.38
GST (@ 6% of trustee fee)	15.02	14.52	0.50
Total net assets for the day	**182,710,017.85**	**176,592,447.38**	**6,117,570.47**
Closing Units in circulation		160,500,000.00	2,001,629.79
NAV per Unit in Base Currency		1.1003	3.0563
FX Rate		1.0000	3.0485

NAV per Unit in Class Currency [2]		1.1003	1.0026

1 Multi-Class Fund ("MCF") Ratio: *MCF Ratio is the ratio used to apportion the Fund level income and expenses of the Fund into different classes of Units. The MCF ratio shown is for illustration purposes only. Actual number of decimal places used may differ.*

The MCF ratio for each class of Units is derived by dividing the NAV before Income and Expenses of each class of Units over the Total NAV before Income and Expenses of the Fund. The NAV before Income and Expenses is derived by adding the capital movement for the day to the opening NAV.

Class specific expenses (e.g. Management Fee) are charged directly to each class of Units.

2 Class Currency: *The term "Class Currency" refers to the currency in which the particular class of Units is offered to investors.*

Note: The above example is a general illustration of the accounting methodology used across all classes of Units of the Fund. Please note that the Management Fee is charged directly to each class of Units and such fee may differ from one class of Units to another class of Units.

6.3 INCORRECT PRICING

The Manager shall take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the relevant authorities of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance. An incorrect valuation and/or pricing of the Fund and/or the Units shall result in a reimbursement of moneys unless the Trustee considers that such incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the Net Asset Value per Unit unless the total impact on a Unit Holder's account is less than RM10.00 or its foreign currency equivalent. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys and/or creation of Units in the following manner:

(a) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;

(b) if there is an over valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;

(c) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and

(d) if there is an under valuation and/or pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

6.4 APPLICATION FOR UNITS

During the Initial Offer Period, Units of the Fund will be issued at the price per Unit during the Initial Offer Period. After the Initial Offer Period, investors will purchase Units at the NAV per Unit of the Fund at the next valuation point after their application is accepted by the Manager.

An application for Units must be submitted with the following documents:

1. a completed Account Opening Form together with the Pre-Qualification Declaration if the applicant is a new investor;
2. a completed Investment Application Form;

3. the necessary payment for the purchase of Units; and
4. all relevant supporting documents such as a photocopies of an investors identity card (for individual applicants) or certified true copy of the Certificate of Incorporation or Registration Memorandum and Articles of Association or Constitution or By-Laws, and relevant resolutions (for corporate applicants).

Application for Units made before the cut-off time of 4.00 p.m. on any Business Day will be issued units at the Selling Price calculated at the next valuation point (i.e. “forward pricing”). The cut-off time will be determined based on the time and date stamp made by us.

Payment for application of Units must be made in the currency designation of the class of Units that an investor intends to invest in.

Where an application is received after the cut-off time, as above, the request will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the procedures, terms and conditions of investment, and payment modes from time to time, which shall be communicated to you in writing. Note that the Manager reserves the right to reject any application without providing any reason. The Manager may also reject any application that is not complete and/or not accompanied by the required documents and those applications will only be processed upon the documentation being satisfactorily completed.

Investors should be aware that the Manager may reject any application for Units of Class I (MYR) without providing any reason.

Below is an illustration on how Units are allocated when a Unit Holder purchases Units of the Fund:

Assuming that the NAV per Unit of Class A (MYR) is RM0.5000 and the Sales Charge is 5.00% of the NAV per Unit and GST is 6.00% of the Sales Charge. Say, for example, a Unit Holder wants to invest RM10,000 in Units of Class A (MYR), the amount that the Unit Holder will have to pay as Sales Charge is:

Sales Charge	=	5.00% x (amount to be invested)
	=	5.00% x RM10,000
	=	RM500
GST on Sales Charge	=	6% x Sales Charge
	=	6% x RM500
	=	RM30

The total amount that a Unit Holder will have to pay is:

Total to be paid	=	amount to be invested + Sales Charge + GST on Sales Charge
	=	RM10,000 + RM500 + RM30
	=	RM10,530

The number of Units that will be allocated to the Unit Holder is:

Units allocated to the Unit Holder	=	$\frac{\text{amount to be invested}}{\text{NAV per Unit}}$
	=	$\frac{\text{RM10,000}}{\text{RM0.5000}}$ (rounded up to 4 decimal places)
	=	20,000 Units

Compliance with the Bank Negara Malaysia Foreign Exchange Administration Notices

Investors must ensure that they comply with the Bank Negara Malaysia Foreign Exchange Administration (“FEA”) notices. The FEA notices applies to investors who intend to make payment in foreign currency and to invest in foreign currency assets. Bank Negara Malaysia sets certain limits and conditions on payment in foreign currency and investment in foreign currency assets. Investors are advised to seek their own professional advice on FEA notices before making any investment decisions.

6.5 REDEMPTION OF UNITS

Unit Holders may redeem their investments in the Fund on any Business Day by completing the prescribed redemption request form or such other manner as the Manager may accept and returning it to the Manager on any Business Day; the redemption request form is available at the office of the Manager.

All such requests must be received or be deemed to have been received by the Manager before 4.00 p.m. on a Business Day. Any requests received or deemed to have been received after 4.00 p.m. will be treated as having been received the following Business Day.

Redemption proceeds are based on the NAV per Unit of the Fund at the close of Business on the day the redemption request form is received by the Manager.

Redemption proceeds will be paid to Unit Holders within *10 Business Days upon receipt of the redemption request form.

**Note:*
There may be instances when the redemption payment period of 10 Business Days cannot be complied with due to certain redemption policies of the Target Fund. Please see Section 4.12.6 for details.

The minimum redemption amount for each of the Fund is set as follows:

TGTRF		FUSOF	
MYR Class	1,000 Units or such other amount as the Manager may prescribe from time to time.	MYR Class	2,000 Units or such other amount as the Manager may prescribe from time to time.
USD Class	500 Units or such other amount as the Manager may prescribe from time to time.	USD Class	1,000 Units or such other amount as the Manager may prescribe from time to time.
TGEF & TASCF		**TGBF**	
Class A (MYR)	2,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (MYR)	2,000 Units or such other lesser Units as the Manager may from time to time prescribe.
Class A (USD)	1,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (USD)	1,000 Units or such other lesser Units as the Manager may from time to time prescribe.

Class I (MYR)	1,000,000 Units or such other lesser Units as the Manager may from time to time prescribe.	

In the case of a partial redemption, if a redemption request results in a Unit Holder holding less than the following minimum holding requirement for each of the Fund:

TGTRF		**FUSOF**	
MYR Class	10,000 Units or such other amount as the Manager may prescribe from time to time.	MYR Class	20,000 Units or such other amount as the Manager may prescribe from time to time.
USD Class	5,000 Units or such other amount as the Manager may prescribe from time to time.	USD Class	10,000 Units or such other amount as the Manager may prescribe from time to time.
TGEF & TASCF		**TGBF**	
Class A (MYR)	20,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (MYR)	20,000 Units or such other lesser Units as the Manager may from time to time prescribe.
Class A (USD)	10,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (USD)	10,000 Units or such other lesser Units as the Manager may from time to time prescribe.
Class I (MYR)	2,000,000 Units or such other lesser Units as the Manager may from time to time prescribe.		

the Unit Holder will be required to redeem all the remaining Units held by the Unit Holder in the Fund.

No Redemption Charge is imposed for the redemption of Units from the Fund.

Below is an illustration on the redemption proceeds are calculated when a Unit Holder makes a redemption request:

Let us assume that the NAV per Unit of Class A (MYR) is RM0.5000 and a Unit Holder wants to redeem 10,000 Units.

Amount to be redeemed will therefore be:

= Number of Units x NAV per Unit
= 10,000 Units x RM0.5000
= RM5,000

6.6 SWITCHING OF UNITS

Investors are allowed to switch only between funds that are denominated in the same currency managed by the Manager, subject to the minimum balance and terms and conditions applicable for the respective fund(s).

Switching will be made at the respective prevailing NAV per Unit of the fund to be switched from and the fund to be switched into on a Business Day, when the switching request is received or deemed to have been received by the Manager (subject to availability and terms of the fund to be switched into).

The Manager does not intend to impose any switching fee, however, if the amount of sales charge of the fund that the Unit Holder intends to switch into is more than the Sales Charge imposed by the Fund being switched from, then the difference in the sales charge between the 2 funds and any GST (as the case may be) shall be borne by the Unit Holder.

Conversely, no sales charge by the fund that the Unit Holder intends to switch into will be imposed on the Unit Holder, should it be less than or equal to the Sales Charge paid by the Unit Holder when they invested in the Fund.

For the avoidance of doubt, under no circumstances is a Unit Holder entitled to any refund on the Sales Charge they have paid when they invested in the Fund if it exceeds the sales charge of the fund that they intend to switch into.

All such requests must be received or be deemed to have been received by the Manager before 4.00 p.m. on a Business Day. Any requests received or deemed to have been received after 4.00 p.m. will be treated as having been received the following Business Day.

Unit Holders may switch some or all of their Units in the Fund into units of another fund by completing the relevant forms.

Minimum Number of Units for Switching:

<table>
<tr><td rowspan="2">TGTRF</td><td colspan="2">MYR Class</td><td colspan="2">USD Class</td></tr>
<tr><td colspan="2">5,000 Units or such other amount as the Manager may from time to time prescribe</td><td colspan="2">2,500 Units or such other amount as the Manager may from time to time prescribe</td></tr>
<tr><td rowspan="2">FUSOF</td><td colspan="2">MYR Class</td><td colspan="2">USD Class</td></tr>
<tr><td colspan="2">10,000 units or such other amount as the Manager may from time to time prescribe</td><td colspan="2">5,000 units or such other amount as the Manager may from time to time prescribe</td></tr>
<tr><td rowspan="2">TGEF
TASCF</td><td>Class A (MYR)</td><td colspan="2">Class A (USD)</td><td>Class I (MYR)</td></tr>
<tr><td>10,000 Units or such other lesser Units as the Manager may from time to time prescribe</td><td colspan="2">5,000 Units or such other lesser Units as the Manager may from time to time prescribe</td><td>1,000,000 Units or such other lesser Units as the Manager may from time to time prescribe</td></tr>
</table>

TGBF	**Class A (MYR)**	**Class A (USD)**	Please note that only Class A (MYR) and Class A (USD) are available for this Fund.
	10,000 Units or such other lesser Units as the Manager may from time to time prescribe	5,000 Units or such other lesser Units as the Manager may from time to time prescribe	

Note: The Manager reserves the right to decline any switching requests that the Manager regards as contradicting the best interest of the Fund and other Unit Holders.

6.7 POLICY ON ROUNDING ADJUSTMENTS

The calculation of the NAV per Unit of the Fund is rounded to 4 decimal points.

The amount for application and redemption of Units will be rounded to 2 decimal points.

6.8 POLICY ON THE MANAGER DEALING IN UNITS OF THE FUND

The Manager may only hold Units to comply with redemption requests and for the purposes of creating Units to meet anticipated applications for Units. The Manager may only hold a maximum of 3,000,000 Units or 10% of the Units in circulation, whichever is lower.

6.9 PERIODIC REPORTING TO UNIT HOLDERS

Unit Holders will receive the following statements and reports:

- Confirmation of investment statements detailing his investment, which will be sent within 10 Business Days from the date monies are received by the Manager for investment in the Fund. This confirmation will include details of the Units purchased and the purchase price;
- Monthly statements of account which shows the balance of Unit Holders' investments and all transactions made during the month, distribution details and investment value;
- Quarterly reports which provides a brief overview of the Fund including key risk factors, investment outlook for the quarter, the Fund's financial performance, credit risk, level of borrowings, market outlook, changes in the key investment team, illiquid holdings, details on portfolio holdings, information on fund performance and volatility and unaudited accounts of the Fund for the quarter. The quarterly reports will be sent to all Unit Holders within 2 months from the end of each financial quarter;
- An annual report which provides a detailed overview of the Fund including key risk factors, investment outlook for the year, the Fund's financial performance, credit risk, level of borrowings, market outlook, changes in the key investment team, illiquid holdings, details on portfolio holdings, information on fund performance and volatility and audited accounts of the Fund for the year. The annual report will be sent to all Unit Holders within 2 months from the end of each Financial Year; and
- If distribution of returns is declared by the Fund, Unit Holders will receive a statement of distribution of returns, detailing the nature and amount of returns distributed by the Fund and a tax statement or voucher for submission to the Inland Revenue Board of Malaysia.

6.10 DISTRIBUTION POLICY

Distribution of income, if any, is subject to the availability of income and shall be in line with the distribution policy of the respective Target Fund.

Please note that income will only be distributed from net realised gains or realised income.

Please refer to Section 4.14, “**Dividend Policy of the Target Funds**”, for a full description of the dividend policies of the Target Funds and Section 6.11, “**Distribution Options**” for information regarding the mode of distribution.

6.11 DISTRIBUTION OPTIONS

The following distribution options are available for the Fund. Unit Holders may specify their distribution preferences:

- Pay-out Option: Distribution proceeds paid directly to Unit Holders; or
- Reinvestment Option: Unit Holders may opt for distribution proceeds to be reinvested as additional Units at the NAV per Unit of the ex-entitlement date being the Business Day immediately after the distribution declaration date where Unit Holders on record will be entitled to the distribution.

If Unit Holders do not indicate their preferred mode of distribution, distribution proceeds will be automatically reinvested as additional Units of the Fund at the NAV per Unit ex-entitlement date as mentioned above.

Distribution proceeds will be paid in the currency in which a class of Unit is denominated.

Please note that if a Unit Holder has instructed the Manager to pay out the distribution proceeds instead of reinvesting it into additional Units, Unit Holders would receive the income distributed in the form of a cheque or via telegraphic transfer. If Unit Holders do not deposit the cheque or cash the cheque within 6 months of issue, the Manager will automatically reinvest the distribution proceeds into additional Units of the Fund at the NAV per Unit on the day immediately after the expiry date of the cheque provided always that the Unit Holder still has an account with the Manager.

6.12 TRANSFER FACILITY

Transfer of Units is not allowed for the Funds.

CHAPTER 7: THE PEOPLE BEHIND THE MANAGER

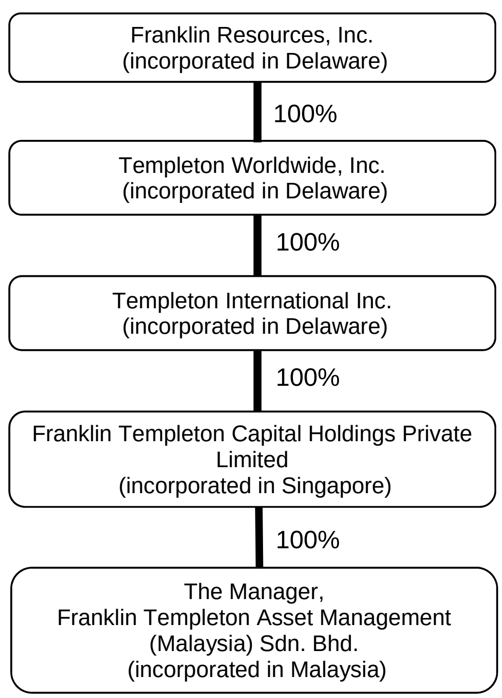
7.1 BACKGROUND OF THE MANAGER

The Manager, Franklin Templeton Asset Management (Malaysia) Sdn. Bhd., is part of the Franklin Templeton Investments group of companies and is the entity for the group to expand its footprint in South East Asia. The Manager set up its office in Kuala Lumpur, Malaysia in 2009 under a Foreign Fund Management Licence issued under the Malaysian Special Scheme. The Manager was awarded a Capital Markets Services Licence by the Securities Commission, Malaysia that allows it to carry out the regulated activity of fund management under the CMSA.

Franklin Templeton Investments has also incorporated a separate entity in Malaysia, Franklin Templeton GSC Asset Management Sdn. Bhd. ("FTGSC"), which is licensed by the Securities Commission Malaysia as an Islamic Fund Management company. Franklin Templeton GSC Asset Management Sdn Bhd's establishment in Malaysia serves as a pivotal foundation in building up the firm's Islamic fund management capabilities.

Franklin Resources, Inc. (NYSE: BEN), is a global investment management organisation operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions under its Franklin, Templeton, Mutual Series, Bissett, Fiduciary Trust, Darby, Balanced Equity Management and K2 brand names. The San Mateo, California-based company has more than 65 years of investment management experience.

Shareholding Structure of the Manager



7.2 EXPERIENCE OF THE MANAGER

The Manager commenced business with a Capital Markets Services Licence under the Malaysian Special Scheme in 2009 by the Securities Commission, Malaysia that allows it to carry out the regulated activity of fund management under the CMSA. The Manager currently provides investment management solutions in various investment strategies to institutional investors in Malaysia. The breadth of our expertise offered allows us to offer and manage local and international mandates (regional and global).

Since its establishment in Malaysia in 2009, the Manager has been successful in its investment offerings providing investment solutions and managing approximately RM20.3 billion of assets comprising of domestic and international accounts' mandates and wholesale funds as at 31 December 2017.

[Franklin Templeton Investments has been investing globally for over 70 years and provides investment management and advisory services to a wide variety of mutual funds, institutes and private clients worldwide. Companies within Franklin Templeton Investments are subsidiaries of Franklin Resources, Inc., a US company listed on the New York Stock Exchange and a constituent of the S&P 500 Index.

In addition to institutional investors, the Manager intends to provide Sophisticated Investors in Malaysia access to the successful cross-border investment solutions that have benefitted investors of Franklin Templeton's global offerings. Our strong global platform and rapidly expanding distribution channels are supported by on-the-ground research capabilities and innovative technology. In addition, just over half of our employees work outside the United States.

Our clients receive the specialised skill sets of Franklin Templeton's investment managers across all major asset classes: Franklin Equity Group, Templeton Global Equity Group, Templeton Emerging Markets Group, Franklin Mutual Series, Franklin Templeton Fixed Income Group, Franklin Real Asset Advisors, Franklin Local Asset Management and Franklin Templeton Solutions. Each manager maintains its unique culture, philosophy and research capability, while drawing on deep global resources for trading, compliance, risk management and additional research functions. Individual manager expertise paired with global capabilities translates to investment offerings that can be tailored to the benefit of the local Malaysian professional investor and/or segment-specific client need. Franklin Templeton Investments offers its clients globally and in Malaysia access to expertise of more than 600 investment professionals worldwide through its various investment platforms.

7.3 ROLE, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager is responsible for the daily sales and management of the Fund it also has a duty to ensure that the general administration of the Fund is done in accordance with the provisions of the Deed, this Replacement Master Information Memorandum and the Manager's internal policies. In fulfilling its responsibility, the Manager undertakes, among others, the following functions:

- Maintaining proper records and the register for the Fund;
- Calculating the amount of income for cash distributions or unit splits to the Unit Holders;
- Providing sales, marketing and customer service support to Unit Holders;
- Ensuring compliance with internal procedures and all relevant laws.

7.4 BOARD OF DIRECTORS

Adam Quaife (non-independent director)

Mark Browning (non-independent director)

Gerald Sheah (non-independent director)

Sandeep Singh (non-independent director)

Mohd Ridzal Sheriff (independent director)

Avinash Satwalekar (non-independent director)

Lim Seh Kuan (non-independent director)

CHAPTER 8: THE TRUSTEE

8.1 ABOUT DEUTSCHE TRUSTEES MALAYSIA BERHAD

Deutsche Trustees Malaysia Berhad ("DTMB") (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group ("Deutsche Bank"), a global investment bank with a substantial private client franchise. With more than 100,000 employees in more than 70 countries, Deutsche Bank offers financial services throughout the world.

8.2 EXPERIENCE IN TRUSTEE BUSINESS

DTMB is part of Deutsche Bank's Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at 6 May 2016, DTMB is the trustee for 220 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB's trustee services are supported by Deutsche Bank (Malaysia) Berhad ("DBMB"), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

8.3 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

DTMB's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws.

CHAPTER 9: RIGHTS AND LIABILITIES OF UNIT HOLDERS

9.1 RIGHTS OF UNIT HOLDERS

As a Unit Holder of the Fund, and subject to the provisions of the Deed, you have the right to:

- receive distributions, if any, from the Fund;
- participate in any increase in the NAV per Unit of the Fund;
- call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- receive monthly statements, quarterly and annual reports on the Fund; and
- exercise such other rights and privileges as provided for in the Deed.

However, Unit Holders would not have the right to require the transfer to them any of the investments of the Fund. Neither would Unit Holders have the right to interfere with or to question the exercise by the Trustee (or by the Manager on the Trustee's behalf) of the rights of the Trustee as trustee of the investments of the Fund.

9.2 LIABILITIES OF UNIT HOLDERS

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

1) A Unit Holder would not be liable for nor would a Unit Holder be required to pay any amount in addition to the payment for Units of the Fund as set out in this Replacement Master Information Memorandum and the Deed as may be amended by way of supplemental or replacement information memoranda or deeds.

2) A Unit Holder would not be liable to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the NAV of the Fund.

CHAPTER 10: POWER TO CALL FOR A UNIT HOLDERS' MEETING

10.1 MEETINGS DIRECTED BY THE UNIT HOLDERS

Unless otherwise required or allowed by the relevant laws, the Manager shall, within 21 days of receiving a direction from not less than 50 or 1/10, whichever is less, of all the Unit Holders of the Fund or of a particular class of Units, summon a meeting of the Unit Holders of the Fund or of a particular class of Units by:

(a) sending by post at least 7 days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;

(b) publishing at least 14 days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and

(c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;

(b) requiring the retirement or removal of the Trustee;

(c) considering the most recent financial statements of the Fund; or

(d) giving to the Trustee such directions as the meeting thinks proper;

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than 50 or one-tenth 1/10 of the relevant Unit Holders, whichever is the lesser number.

The Unit Holders of a particular class of Units may apply to the Manager to summon a meeting only in respect of matters relating to that class of Units.

For the avoidance of doubt, a meeting summoned for the purposes of (a) and (b) above cannot be convened where the Unit Holders consist solely from a particular class of Units.

10.2 MEETINGS SUMMONED BY THE TRUSTEE

The Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

(a) giving at least 14 days written notice of the meeting to Unit Holders; and

(b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

10.3 MEETINGS SUMMONED BY THE MANAGER

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by:

(a) giving at least 14 days written notice of the meeting to Unit Holders; and

(b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

10.4 PROVISIONS GOVERNING UNIT HOLDERS' MEETINGS

Quorum

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if a Fund or a class of Units has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of a Fund or a class of Units shall be any number of Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of a Fund or the applicable class of Units, as the case may be, at the time of the meeting.

If within 1 hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the request of Unit Holders shall be dissolved. In any other case, it shall stand adjourned to such day and time not being less than 7 days thereafter and to such place as may be appointed by the chairman; at such adjourned meeting, the Unit Holders present in person or by proxy shall be the quorum for the transaction of business including the passing of Special Resolutions if the quorum prescribed by this Deed is not present after 1 hour from the time appointed for the adjourned meeting.

Resolutions passed at a meeting of Unit Holders bind all Unit Holders whether or not they were present at the meeting at which the resolutions were passed. No objection may be made as to any vote cast unless such objection is made at the meeting.

Voting by Proxy

A notice calling a Unit Holders' meeting will contain a statement that a Unit Holder is entitled to attend and vote or may appoint a proxy.

The instrument appointing a proxy shall be duly stamped, if required, and deposited at the office of the Manager not less than 48 hours before the time appointed for the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the power of attorney or other authority under which the proxy was signed or the sale of Units in respect of which the proxy was given provided that no intimation in writing of such death, insanity, revocation or sale shall have been received at the place so appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

Chairman of the Meeting

The meeting will be chaired if the meeting was convened at the instance of the Unit Holders or the Trustee, by a person appointed by the Unit Holders present at the meeting or, where no such appointment is made, a nominee of the Trustee; or if the meeting was convened at the instance of the Manager, by a person appointed by the Manager.

The decision of the chairman of the meeting on any matter shall be final.

Casting of Votes

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires more than a simple majority for it to be resolved and passed, a poll shall be taken. A poll may be demanded before or immediately after any question is put to a show of hands.

On a show of hands every Unit Holder who is present in person or by proxy shall have one vote, notwithstanding that a Unit Holder may hold Units in different classes of Units in the Fund.

Upon a poll every Unit Holder present in person or by proxy shall have one vote for every Unit held by him.

A poll may be demanded by the chairman of the meeting, the Trustee, the Manager or by Unit Holders holding (or representing by proxy) between them not less than 1/10 of the total number of Units then in issue.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

10.5 TERMINATION OF THE FUND

The Fund may be terminated or wound up should the following events occur:

- The SC's authorization is withdrawn pursuant to section 256E of the Act;
- A Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund; and
- Such other events and situations as provided in the Deed.

Upon the termination of the Fund, the Trustee shall:

a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and

b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:

    i) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
    ii) any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of RM0.50 or its foreign currency equivalent, if applicable in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from this Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of this Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by this Deed and all relevant laws.

Where the termination of the Fund and the winding-up of the Fund have been occasioned by any of the events set out herein:

a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;

b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or

c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders' meeting to get directions from the Unit Holders. If a Special Resolution is passed to terminate the trust and wind-up the Fund, the Trustee shall apply to the court for an order confirming such Special Resolution. The Trustee shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund;in all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

10.6 TERMINATION OF A CLASS OF UNITS

A particular class of Units may be terminated if a Special Resolution is passed at a meeting of Unit Holders of that class of Units to terminate that class of Units provided always that such termination does not prejudice the interests of Unit Holders any other class of Units. For the avoidance of doubt, the termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

If at a meeting of Unit Holders to terminate a class of Units, a Special Resolution to terminate a particular class Units is passed by the Unit Holders:

(a) the Trustee shall cease to create and cancel Units of that class of Units;

(b) the Manager shall cease to deal in Units of that class of Units;

(c) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution; and

(d) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that class of Units.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that class of Units by the auditor of the Fund. Upon the completion of the termination of that class of Units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that class of Units.

CHAPTER 11: ADDITIONAL INFORMATION

11.1 UNCLAIMED MONEYS

Income distribution proceeds payable to the Unit Holders, if any, which remain unclaimed for 6 months will automatically be reinvested into the Fund based on the NAV per Unit on the day immediately after the end of the expiry date of the cheque provided always that the Unit Holder still has an account with the Manager. Redemption proceeds payable to Unit Holders who have requested for full or partial redemption of their investments in the Fund that remain unclaimed after 12 months as prescribed by the Unclaimed Moneys Act, 1965 (revised 1989), shall be lodged with the Registrar of Unclaimed Moneys in accordance with the provisions of the Unclaimed Moneys Act, 1965.

11.2 ANTI-MONEY LAUNDERING POLICIES

Application for Units must be accompanied by proper identification documents for our verification. In the event of a delay or failure by the investors in producing any information or documents required for verification, the Manager may refuse to accept the application for Units of the Fund. All investors will be checked against various reliable sources for money laundering information. Any cases which are suspicious will be reported to our compliance officer who will then report the matter to the SC and BNM.

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

The Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (“AMLA”) is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligent and Enforcement Department of BNM has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the CMSA and fund management companies approved by the SC under the CMSA are obliged to comply with the provisions of the AMLA.

11.3 MARKET TIMING TRADING POLICY

Market timing or short term trading generally. The Manager discourages short-term or excessive trading, often referred to as “market timing”, and intends to seek to restrict or reject such trading or take other action, as described below, if in the judgment of the Manager such trading may interfere with the efficient management of the Fund, may materially increase the Fund’s transaction costs, administrative costs or taxes, or may otherwise be detrimental to the interests of the Manager and the Unit Holders of the Fund.

Market timing consequences. If information regarding a Unit Holder’s activity in the Fund is brought to the attention of the Manager and based on that information the Manager in their sole discretion conclude that such trading may be detrimental to the Manager as described in this Market Timing Trading policy, the Manager may temporarily or permanently bar a Unit Holder‘s future purchases into the Fund, alternatively, may limit the amount, number or frequency of any future purchases. In considering a Unit Holder’s trading activity, the Manager may consider, among other factors, the Unit Holder’s trading history both directly and, if known, through financial intermediaries.

Market timing through financial intermediaries. Investors are subject to this policy whether they are a direct Shareholder of the Target Fund or are investing indirectly in the Company through a financial intermediary such as a bank, an insurance company, an investment advisor, or any other Distributor that acts as nominee for investors subscribing the Shares in their own name but on behalf of its customers (the Shares being held in an "omnibus holding").

While the management company of the Target Fund will encourage financial intermediaries to apply the Company's Market Timing Trading policy to their customers who invest indirectly in the Company, the management company of the Target Fund is limited in its ability to monitor the trading activity or enforce the Company's Market Timing Trading policy with respect to customers of financial intermediaries. For example, should it occur, the management company of the Target Fund may not be able to detect market timing that may be facilitated by financial intermediaries or made difficult to identify in the omnibus holdings/nominee accounts used by those intermediaries for aggregated purchases, switches and sales on behalf of all their customers. More specifically, unless the financial intermediaries have the ability to apply the Company's Market Timing Trading policy to their customers through such methods as implementing short-term trading limitations or restrictions, monitoring trading activity for what might be market timing, the management company of the Target Fund may not be able to determine whether trading by customers of financial intermediaries is contrary to the Company's Market Timing Trading policy.

Risks from market timers. Depending on various factors, including the size of the Fund, the amount of assets the Manager typically maintains in cash or cash equivalents and number and frequency of trades, short term or excessive trading may interfere with the efficient management of the Fund's portfolio, increase the Fund's transaction costs, administrative costs and taxes and/or impact Fund performance. In addition, if the nature of the Fund's portfolio holdings expose the Fund to Unit Holders who engage in the type of market timing trading that seeks to take advantage of possible delays between the change in the value of a Fund's portfolio holdings and the reflection of the change in the NAV per Units, sometimes referred to as "arbitrage market timing", there is the possibility that such trading, under certain circumstances, may dilute the value of the Units of the Fund if selling Unit Holders receive proceeds (and buying Unit Holders receive Units) based upon NAV which do not reflect appropriate fair value prices.

The Manager is currently using several methods to reduce the risk of market timing. These methods include:

- reviewing Unit Holders' activity for excessive trading; and
- committing staff to selectively review on a continuing basis recent trading activity in order to identify trading activity that may be contrary to this Market Timing Trading policy.

Though these methods involve judgments that are inherently subjective and involve some selectivity in their application, the Manager seeks to make judgments and applications that are consistent with the interests of the Unit Holders. There is no assurance that the Manager will gain access to any or all information necessary to detect market timing in omnibus holdings. While the Manager will seek to take actions (directly and with the assistance of financial intermediaries) that will detect market timing, the Manager cannot represent that such trading activity can be completely eliminated.

Revocation of market timing trades. Transactions placed in violation of the Manager's Market Timing Trading policy are not necessarily deemed accepted by the Manager and may be cancelled or revoked by the Manager or its transfer agent on the valuation days following receipt by the Manager.

11.4 REGULATORY AUTHORIZATION

The Funds are subject to the authorization of the Securities Commission under section 212(5) of the Act.

11.5 NO GUARANTEE

The Manager does not guarantee the performance or success of the Funds. Investors are advised to read this Replacement Master Information Memorandum and obtain professional advice before subscribing to the Funds.

11.6 ENQUIRIES

All enquiries about the investment should be directed in writing to:

The Sales & Marketing Department
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
Suite 31-02, 31st Floor, Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur, Malaysia

FRANKLIN TEMPLETON
INVESTMENTS

Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
Suite 31-02, 31st Floor, Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur, Malaysia
tel +60 (3) 2264 6688
fax +60 (3) 2145 9071
www.franklintempleton.com.my

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

SUPPLEMENTAL MASTER INFORMATION MEMORANDUM

IN RESPECT OF THE

TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND, AND TEMPLETON GLOBAL BALANCED FUND

This Supplemental Master Information Memorandum is dated 25 March 2019.

Manager:
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
(Company No. 833780-A)

Trustee:
Deutsche Trustees Malaysia Berhad
(Company No. 763590-H)

This Supplemental Master Information Memorandum is supplemental to the Replacement Master Information Memorandum dated 16 April 2018.

Name of Funds	**Date of Constitution**
Templeton Global Total Return Fund	14 November 2012
Franklin U.S. Opportunities Fund	8 May 2013
Templeton Global Equity Fund	13 April 2015
Templeton Asian Smaller Companies Fund	7 October 2015
Templeton Global Balanced Fund	5 May 2015

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THIS SUPPLEMENTAL MASTER INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Supplemental Master Information Memorandum has been seen and approved by the directors of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has authorized the *Templeton Global Total Return Fund, Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund,* ("the Funds"), the subjects of this Supplemental Master Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and takes no responsibility for the contents of this Supplemental Master Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Supplemental Master Information Memorandum.

ADDITIONAL INFORMATION

Investors are advised to read the Replacement Master Information Memorandum and this Supplemental Master Information Memorandum and obtain professional advice before subscribing to the Funds.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in this Supplemental Master Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Supplemental Master Information Memorandum or the conduct of any other person in relation to the Funds.

This Supplemental Master Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ('Foreign Jurisdiction'). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Funds to which this Supplemental Master Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The Funds are not registered in the United States of America under the Investment Company Act of 1940. The Units of the Funds have not been registered in the United States of America under the Securities Act of 1933. The Units of the Funds made available under this Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of residents thereof, unless pursuant to an exemption from registration requirements available under U.S. law, any applicable statute, rule or interpretation.

The term "U.S. Person" and "U.S. Persons" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

U.S. Persons are not eligible to invest in the Funds. Prospective investors shall be required to declare that they are not a U.S. Person and are not applying for Units on behalf of any U.S. Person. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. has the right to reject any application for Units if it has reasonable grounds to believe that any applicant is a U.S. Person or if any applicant is seeking to purchase Units on behalf of a U.S. Person. In the absence of written notice to Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. to the contrary, if a potential investor provides a non-U.S. address on the application form for investment in the Funds, this will be deemed to be representation and warranty from such investor that he/she/it is not a U.S. Person and that such investor will continue to be a non-U.S. Person so long as such investor holds any Unit of the Funds.

The Manager and/or its delegates will restrict or prevent the ownership of Units by any U.S. Person and/or any person, firm or corporate body if in the opinion of the Manager and/or its delegates, such holding may be detrimental to the Funds, Unit Holders, the Manager and/or its delegates or may result in a breach of any applicable law or regulation whether in Malaysia or in a foreign jurisdiction or may expose the Funds or the Unit Holders to liabilities (to include, amongst other things, regulatory or tax liabilities and any other tax liabilities that might derive, amongst other things, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including U.S. Persons and/or persons in breach of FATCA requirements) are herein referred to as "Prohibited Persons".

More specifically, the Manager shall have the power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by any Prohibited Person and may:

1) decline to issue any Units and decline to register any transfer of Units, where it appears to it that such issuance or transfer would or might result in beneficial ownership of such Units by a Prohibited Person;

2) at any time, require any person whose name is entered in the register of Unit Holders or any person seeking to transfer his/her/its Units to furnish the Manager with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Units held by the Unit Holders rests or will rest in a Prohibited Person, or whether the transfer of Units will result in beneficial ownership of such Units by a Prohibited Person;

3) where it appears to the Manager that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Manager may require, may compulsorily redeem from any such Unit Holder all or part of the Units held by such Unit Holder; and

4) decline to accept the vote of any Prohibited Person at any meeting of Unit Holders of the Funds.

The Funds are not registered in any provincial or territorial jurisdiction in Canada and Units of the Funds have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Units made available under this Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof, unless such Canadian resident is, and will remain at all times during their investment, a “permitted client” as that term is defined in Canadian securities legislation. Prospective investors may be required to declare that they are not a Canadian resident and are not applying for Units on behalf of any Canadian resident. If an investor becomes a Canadian resident after purchasing Units of the Funds, the investor will not be able to purchase any additional Units of the Funds.

Notice on Personal Data Protection

For the purposes of the notice below, the term “personal data” shall have the same meaning prescribed in the Personal Data Protection Act 2010 (“the PDPA”) and the term “processed” shall have the same meaning as “processing” as prescribed in the PDPA.

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

All personal data of investors contained in the investment application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related companies of the Manager, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account administration, development of business relationships, anti-money laundering requirements and counter-terrorist financing identification, tax identification (including for the purpose of compliance with FATCA or similar laws and regulations (e.g. on OECD level)), processing of transaction(s) and/or any other general business purposes (including direct marketing and promotion of the Manager’s other products and services unless the Manager has been informed by the investor not to process his/her personal data for direct marketing and promotion) by the Manager.

The investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete. Please refer to the investment application form for further details on the personal data protection requirements.

The Manager and/or its delegates, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons and/or non-participant Foreign Financial Institutions (as defined in FATCA) to the Malaysian tax authorities which may transfer them, if any, to the Internal Revenue Service in the United States of America. Data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to the applicable legal minimum retention periods.

Automatic Exchange of Account Information

On 27 January 2016, Malaysia signed the Multilateral Competent Authority Agreement (“MCAA”) on the implementation of the global standard for automatic exchange of financial account information. By signing the MCAA, Malaysia has agreed to implement regulations to enable the adoption of automatic exchange of information with other signatory countries. The first exchange of information is anticipated to take place in 2018, in relation to accounts held in the 2017 calendar year.

Investors are hereby notified that the Funds and/or the Manager may be required under Malaysian laws and regulations to report details of specified accounts of account holders resident in other MCAA signatory jurisdictions. The Malaysian tax authorities may share such account data in accordance with the MCAA with the tax authorities of other MCAA signatory jurisdictions where the account holder is tax resident. The information which may be reported includes the reportable person or entity’s name, address, tax identification number, date and place of birth (for an individual), account balance and the total gross proceeds pair or credited to the account during the relevant reporting period.

When requested to do so by the Funds and/or Manager or its respective agent, in order to meet its obligations under future Malaysian Law adopting the MCAA, Unit Holders must provide certification of their tax residence and status.

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

Unless otherwise provided in this Supplemental Master Information Memorandum, all capitalized terms used herein shall have the same meaning as ascribed to them in the Replacement Master Information Memorandum dated 16 April 2018 ("the Replacement Master Information Memorandum")

EXPLANATORY NOTE

This Supplemental Master Information Memorandum is being issued to inform investors of:

- a change in one of the Investment Managers of the FTIF-TGBF;
- a change in the write-up relating to "Class Hedging Risk" and "Emerging Markets Risk";
- a change in the write-up under "Exposure to securities lending transactions" relating to FTIF-FUSOF, FTIF-TGF and FTIF-TGBF;
- a change in the section heading and write-up relating to "Goods and Services Tax" and all references to "GST";
- a change in the section heading and write-up relating to "Transfer Facility"; and
- a change in the Board of Directors of the Manager.

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

A. DEFINITIONS

DEFINITIONS
Page 4 of the Replacement Master Information Memorandum

The definition of "GST" is deleted in its entirety.

DEFINITIONS
Page 5 of the Replacement Master Information Memorandum

The definition of "Investment Manager of the Target Fund" is hereby amended to read as follows:

"Refers to:

(a) Franklin Advisers, Inc. for the Franklin Templeton Investment Funds-Templeton Global Total Return Fund and Franklin Templeton Investment Funds-Franklin U.S. Opportunities Fund;
(b) Templeton Asset Management Ltd for the Franklin Templeton Investment Funds-Templeton Asian Smaller Companies Fund;
(c) Templeton Global Advisors Limited for the Franklin Templeton Investment Funds-Templeton Global Fund; and
(d) Franklin Templeton Investments Australia Limited and Franklin Advisers, Inc. for the Franklin Templeton Investment Funds-Templeton Global Balanced Fund;"

B. CHAPTER 2 – RISK FACTORS

Section 2.3.2 RISKS CONSIDERATIONS
Pages 15 - 16 of the Replacement Master Information Memorandum

The write-up relating to "Class Hedging Risk" is hereby deleted in its entirety and replaced with the following:

"**Class Hedging Risk**

The Company may engage in currency hedging transactions with regard to a certain Share Class (the "Hedged Share Class"). Hedging transactions are designed to reduce, as much as possible, the currency risk for investors.

Any financial instrument used to implement such hedging strategies with respect to one or more classes of Shares in the Target Fund shall be assets and/or liabilities of the Target Fund as a whole, but will be attributable to the relevant class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class of Shares in the Target Fund. Any currency exposure of a class may not be combined with or offset against that of any other class of Shares in the Target Fund. The currency exposure of the assets attributable to a Class may not be allocated to other classes of Shares in the Target Fund. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% by a small margin as in the case of a net investment flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the Net Asset Value of the Hedged Share Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted.

There is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of that Target Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

Investors should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Target Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Hedged Share Class.

This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority.

Investors should be aware that the hedging strategy may substantially limit investors of the relevant Hedged Share Class from benefiting from any potential increase in value of the Share Class expressed in the reference currency(ies), if the Hedged Share Class currency falls against the reference currency(ies). Additionally, investors of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the associated transactions costs of the relevant financial instruments used to implement the hedging strategy. The gains/losses on and the transactions costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

Further, investors should be aware that the hedging strategy may act as a drag or boost to performance as a result of the Interest Rate Differential (i.e. the difference in interest rates between two similar interest-bearing currencies) between the Hedged Share Class currency and the reference currency(ies). Where there is a positive Interest Rate Differential between the Hedged Share Class currency over the reference currency(ies) an increase in relative performance of the Hedged Share Class over the reference currency(ies) class may be observed. The opposite may be true and it should be noted that if the interest rate of the reference currency of the Hedged Share Class is lower than the interest rate of the base currency of the Fund, the interest rate carry is likely to be negative and a decrease in relative performance of the Hedged Share Class may be observed.

More details as to the rules governing allocation of assets and liabilities at a Class level are contained in Section 4.12.5."

Section 2.3.2 RISKS CONSIDERATIONS
Pages 21 - 22 of the Replacement Master Information Memorandum

A new paragraph is hereby added immediately after the second paragraph under "Emerging markets risk" as follows:

"In particular, in respect of high-risk emerging market countries, the net asset value of the Target Fund, the marketability and the returns derived from a particular Target Fund's investments may be significantly affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation, and other political, economic, legislative or regulatory developments in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these events may adversely affect the overall investment climate and, in particular, investment opportunities for the relevant Target Fund. The denomination "Emerging Markets" covers a wide range of countries with differing economic and political situations. A degree of portfolio concentration in high-risk emerging market countries will entail greater exposure to the risks described above for a given portfolio."

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

C. CHAPTER 4 – INFORMATION ON THE TARGET FUNDS

Section 4.1 STRUCTURE OF THE TARGET FUNDS
Pages 47 - 48 of the Replacement Master Information Memorandum

The last row of the table under this Section is amended as follows:

Target Funds	Investment Managers of the Target Funds
FTIF-TGBF	Franklin Templeton Investments Australia Limited and Franklin Advisers, Inc

Section 4.5 INVESTMENT MANAGERS OF THE TARGET FUNDS
Pages 49 - 50 of the Replacement Master Information Memorandum

The write-up relating to Franklin Templeton Investment Management Limited under this Section is deleted in its entirety and replaced with the following:

Franklin Templeton Investments Australia Limited, incorporated in Australia

Franklin Templeton Investments Australia Limited, the investment manager for FTIF-TGBF, holds an Australian Financial Services Licence issued by Australian Securities and Investments Commission and is a company incorporated in Australia under Australian Corporations Law. It is an investment manager and adviser to several funds and accounts. Franklin Templeton Investments Australia Limited is an indirect wholly-owned subsidiary of Franklin Resources, Inc.

Franklin Templeton Investments Australia Limited has managed collective investment schemes since 2001.

Section 4.6 REGULATORY AUTHORITIES OF THE INVESTMENT MANAGERS OF THE TARGET FUNDS
Page 50 of the Replacement Master Information Memorandum

The last row of the table under this Section is amended as follows:

Target Funds	Investment Managers of the Target Funds	Regulatory Authorities of the Investment Managers of the Target Funds
FTIF-TGBF	Franklin Advisers, Inc.	U.S. Securities and Exchange Commission
	Franklin Templeton Investments Australia Limited	Australian Securities and Investments Commission

Section 4.8.2 FTIF-FUSOF
Pages 51 - 52 of the Replacement Master Information Memorandum

The write-up relating to "Exposure to securities lending transactions" is hereby amended to read as follows:

> "**Exposure to securities lending transactions**
> The expected level of exposure that could be subject to securities lending transactions amounts to 5% of the Target Fund's net assets, subject to a maximum of 50%."

Section 4.8.3 FTIF-TGF
Page 52 of the Replacement Master Information Memorandum

The write-up relating to "Exposure to securities lending transactions" is hereby amended to read as follows:

> "**Exposure to securities lending transactions**
> The expected level of exposure that could be subject to securities lending transactions amounts to 5% of the Target Fund's net assets, subject to a maximum of 50%."

Section 4.8.5 FTIF-TGBF
Pages 52 - 53 of the Replacement Master Information Memorandum

The write-up relating to "Exposure to securities lending transactions" is hereby amended to read as follows:

> "**Exposure to securities lending transactions**
> The expected level of exposure that could be subject to securities lending transactions amounts to 5% of the Target Fund's net assets, subject to a maximum of 50%."

D. CHAPTER 5 – FEES, CHARGES AND EXPENSES

Section 5.1 SALES CHARGE
Page 73 of the Replacement Master Information Memorandum

The footnote for the asterisk under this Section 5.1 is hereby deleted in its entirety and replaced with the following:

> "* the rate disclosed is exclusive of tax."

Section 5.4 TRANSFER FEE
Page 74 of the Replacement Master Information Memorandum

The write-up under this Section 5.4 is hereby deleted in its entirety and replaced with the following:

> "The Manager does not intend to charge any transfer fee.

Section 5.6 MANAGEMENT FEE
Page 74 - 75 of the Replacement Master Information Memorandum

The footnote for the asterisk under this Section 5.6 is hereby deleted in its entirety and replaced with the following:

"* the rate disclosed is exclusive of tax."

Section 5.7 TRUSTEE FEE
Page 75 of the Replacement Master Information Memorandum

The footnote for the asterisk under this Section is hereby deleted in its entirety and replaced with the following:

"***Note:**
The annual trustee fee applies to the Funds as a whole, irrespective of classes of Units. The rate and amount disclosed is exclusive of tax."

Section 5.8 OTHER EXPENSES
Pages 75 and 76 of the Replacement Master Information Memorandum

Subparagraph (q) under this Section is hereby deleted in its entirety and replaced with the following:

"(q) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above."

Section 5.10 GOODS AND SERVICES TAX
Page 76 of the Replacement Master Information Memorandum

The section heading and write-up relating to "Goods and Services Tax" is hereby deleted in its entirety and replaced with the following:

"**5.10 TAX**

In the event of the imposition of any applicable tax by the Malaysian Government, the Manager, the Trustee and other service providers may impose such tax in addition to any fees and/or charges in respect of any Units, and the Unit Holder and/or the Fund (as the case may be) shall pay all such tax as may be applicable.

Investors should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of such tax."

E. CHAPTER 6 – TRANSACTION INFORMATION

Section 6.2 COMPUTATION OF NAV AND NAV PER UNIT
Section 6.4 APPLICATION FOR UNITS
Section 6.6 SWITCHING OF UNITS
Pages 77 - 79 and 82 of the Replacement Master Information Memorandum

Every appearance of the word "GST" under Section 6.2, Section 6.4 and Section 6.6 is hereby deleted and replaced with the word "tax".

THIS IS A SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

Section 6.12 TRANSFER FACILITY
Page 84 of the Replacement Master Information Memorandum

The write-up relating to “Transfer Facility” is hereby deleted in its entirety and replaced with the following:

“**6.12 TRANSFER OF UNITS**

A Unit Holder may transfer some or all of his/her Units in the Fund to another Unit Holder from the same Class by completing a transaction form. A transfer will be effected subject to the minimum balance and the terms and conditions applicable for the Fund.

Minimum Number of Units for Transfer:

TGTRF		**FUSOF**	
MYR Class	1,000 Units or such other amount as the Manager may prescribe from time to time.	MYR Class	2,000 Units or such other amount as the Manager may prescribe from time to time.
USD Class	500 Units or such other amount as the Manager may prescribe from time to time.	USD Class	1,000 Units or such other amount as the Manager may prescribe from time to time.
TGEF & TASCF		**TGBF**	
Class A (MYR)	2,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (MYR)	2,000 Units or such other lesser Units as the Manager may from time to time prescribe.
Class A (USD)	1,000 Units or such other lesser Units as the Manager may from time to time prescribe.	Class A (USD)	1,000 Units or such other lesser Units as the Manager may from time to time prescribe.
Class I (MYR)	1,000,000 Units or such other lesser Units as the Manager may from time to time prescribe.		

In the case of a partial transfer, if a transfer request results in a Unit Holder holding less than the applicable minimum holdings requirements of the particular class of Units as shown under Section 6.5 of this Replacement Master Information Memorandum, that Unit Holder will be required to transfer or redeem all the remaining Units held by that Unit Holder in that particular class of Units**.**

E. CHAPTER 7 – PEOPLE BEHIND THE MANAGER

Section 7.4 BOARD OF DIRECTORS
Page 86 of the Replacement Master Information Memorandum

The write-up relating to “Board of Directors” is hereby deleted in its entirety and replaced with the following:

“Adam Quaife (non-independent director)

Mark Browning (non-independent director)

Sandeep Singh (non-independent director)

Mohd Ridzal Sheriff (independent director)

Avinash Satwalekar (non-independent director)

Lim Seh Kuan (non-independent director)”

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM

IN RESPECT OF THE

TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND, AND TEMPLETON GLOBAL BALANCED FUND

This Second Supplemental Master Information Memorandum is dated 13 December 2019.

Manager:
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
(Company No. 200801032445 (833780-A))

Trustee:
Deutsche Trustees Malaysia Berhad
(Company No. 200701005591 (763590-H))

Name of Funds	**Date of Constitution**
Templeton Global Total Return Fund	14 November 2012
Franklin U.S. Opportunities Fund	8 May 2013
Templeton Global Equity Fund	13 April 2015
Templeton Asian Smaller Companies Fund	7 October 2015
Templeton Global Balanced Fund	5 May 2015

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018, THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 AND THIS SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Second Supplemental Master Information Memorandum has been seen and approved by the directors of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has authorized the *Templeton Global Total Return Fund, Franklin U.S. Opportunities Fund, Templeton Global Equity Fund, Templeton Asian Smaller Companies Fund and Templeton Global Balanced Fund,* ("the Funds"), the subjects of this Second Supplemental Master Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.* and takes no responsibility for the contents of this Second Supplemental Master Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Second Supplemental Master Information Memorandum.

ADDITIONAL INFORMATION

Investors are advised to read the Replacement Master Information Memorandum, the Supplemental Master Information Memorandum and this Second Supplemental Master Information Memorandum and obtain professional advice before subscribing to the Funds.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in this Second Supplemental Master Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Second Supplemental Master Information Memorandum or the conduct of any other person in relation to the Funds.

This Second Supplemental Master Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ('Foreign Jurisdiction'). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Funds to which this Second Supplemental Master Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The Funds are not registered in the United States of America under the Investment Company Act of 1940. The Units of the Funds have not been registered in the United States of America under the Securities Act of 1933. The Units of the Funds made available under this Second Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of residents thereof, unless pursuant to an exemption from registration requirements available under U.S. law, any applicable statute, rule or interpretation.

The term "U.S. Person" and "U.S. Persons" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

U.S. Persons are not eligible to invest in the Funds. Prospective investors shall be required to declare that they are not a U.S. Person and are not applying for Units on behalf of any U.S. Person. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. has the right to reject any application for Units if it has reasonable grounds to believe that any applicant is a U.S. Person or if any applicant is seeking to purchase Units on behalf of a U.S. Person. In the absence of written notice to Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. to the contrary, if a potential investor provides a non-U.S. address on the application form for investment in the Funds, this will be deemed to be representation and warranty from such investor that he/she/it is not a U.S. Person and that such investor will continue to be a non-U.S. Person so long as such investor holds any Unit of the Funds.

The Manager and/or its delegates will restrict or prevent the ownership of Units by any U.S. Person and/or any person, firm or corporate body if in the opinion of the Manager and/or its delegates, such holding may be detrimental to the Funds, Unit Holders, the Manager and/or its delegates or may result in a breach of any applicable law or regulation whether in Malaysia or in a foreign jurisdiction or may expose the Funds or the Unit Holders to liabilities (to include, amongst other things, regulatory or tax liabilities and any other tax liabilities that might derive, amongst other things, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including U.S. Persons and/or persons in breach of FATCA requirements) are herein referred to as "Prohibited Persons".

More specifically, the Manager shall have the power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by any Prohibited Person and may:

1) decline to issue any Units and decline to register any transfer of Units, where it appears to it that such issuance or transfer would or might result in beneficial ownership of such Units by a Prohibited Person;

2) at any time, require any person whose name is entered in the register of Unit Holders or any person seeking to transfer his/her/its Units to furnish the Manager with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Units held by the Unit Holders rests or will rest in a Prohibited Person, or whether the transfer of Units will result in beneficial ownership of such Units by a Prohibited Person;

3) where it appears to the Manager that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Manager may require, may compulsorily redeem from any such Unit Holder all or part of the Units held by such Unit Holder; and

4) decline to accept the vote of any Prohibited Person at any meeting of Unit Holders of the Funds.

The Funds are not registered in any provincial or territorial jurisdiction in Canada and Units of the Funds have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Units made available under this Second Supplemental Master Information Memorandum may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof, unless such Canadian resident is, and will remain at all times during their investment, a “permitted client” as that term is defined in Canadian securities legislation. Prospective investors may be required to declare that they are not a Canadian resident and are not applying for Units on behalf of any Canadian resident. If an investor becomes a Canadian resident after purchasing Units of the Funds, the investor will not be able to purchase any additional Units of the Funds.

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

Notice on Personal Data Protection

For the purposes of the notice below, the term “personal data” shall have the same meaning prescribed in the Personal Data Protection Act 2010 (“the PDPA”) and the term “processed” shall have the same meaning as “processing” as prescribed in the PDPA.

All personal data of investors contained in the investment application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related companies of the Manager, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account administration, development of business relationships, anti-money laundering requirements and counter-terrorist financing identification, tax identification (including for the purpose of compliance with FATCA or similar laws and regulations (e.g. on OECD level)), processing of transaction(s) and/or any other general business purposes (including direct marketing and promotion of the Manager’s other products and services unless the Manager has been informed by the investor not to process his/her personal data for direct marketing and promotion) by the Manager.

The investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete. Please refer to the investment application form for further details on the personal data protection requirements.

The Manager and/or its delegates, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons and/or non-participant Foreign Financial Institutions (as defined in FATCA) to the Malaysian tax authorities which may transfer them, if any, to the Internal Revenue Service in the United States of America. Data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to the applicable legal minimum retention periods.

Automatic Exchange of Account Information

On 27 January 2016, Malaysia signed the Multilateral Competent Authority Agreement (“MCAA”) on the implementation of the global standard for automatic exchange of financial account information. By signing the MCAA, Malaysia has agreed to implement regulations to enable the adoption of automatic exchange of information with other signatory countries. The first exchange of information is anticipated to take place in 2018, in relation to accounts held in the 2017 calendar year.

Investors are hereby notified that the Funds and/or the Manager may be required under Malaysian laws and regulations to report details of specified accounts of account holders resident in other MCAA signatory jurisdictions. The Malaysian tax authorities may share such account data in accordance with the MCAA with the tax authorities of other MCAA signatory jurisdictions where the account holder is tax resident. The information which may be reported includes the reportable person or entity’s name, address, tax identification number, date and place of birth (for an individual), account balance and the total gross proceeds pair or credited to the account during the relevant reporting period.

When requested to do so by the Funds and/or Manager or its respective agent, in order to meet its obligations under future Malaysian Law adopting the MCAA, Unit Holders must provide certification of their tax residence and status.

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

Unless otherwise provided in this Second Supplemental Master Information Memorandum, all capitalized terms used herein shall have the same meaning as ascribed to them in the Replacement Master Information Memorandum dated 16 April 2018 as amended by any supplemental master information memorandum ("the Replacement Master Information Memorandum")

EXPLANATORY NOTE

This Second Supplemental Master Information Memorandum is being issued to inform investors of:

- general changes to certain terms used in the Replacement Master Information Memorandum;
- a change in Investment Managers of the FTIF-TGBF, the Target Fund for Templeton Global Bond Fund and the FTIF-TASCF, the Target Fund for Templeton Asian Smaller Companies Fund;
- changes to the "Specific Risks Related To The Target Funds" for the FTIF-TGTRF and FTIF-TGBF and certain Risk Considerations;
- changes in the write-up under "Investment Policies and Strategies of the Target Funds" for FTIF-TGTRF and FTIF-TGBF;
- changes in the write-up under "Permitted Investments and Investment Restrictions and Limits of the Target Funds" and "Bases for Valuation Use of Techniques and Instruments Relating to Transferable Securities and Money Market Instruments"; and
- a change in the Board of Directors of the Manager.

THIS IS A SECOND SUPPLEMENTAL MASTER INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT MASTER INFORMATION MEMORANDUM DATED 16 APRIL 2018 AND THE SUPPLEMENTAL MASTER INFORMATION MEMORANDUM DATED 25 MARCH 2019 IN RESPECT OF THE TEMPLETON GLOBAL TOTAL RETURN FUND, FRANKLIN U.S. OPPORTUNITIES FUND, TEMPLETON GLOBAL EQUITY FUND, TEMPLETON ASIAN SMALLER COMPANIES FUND AND TEMPLETON GLOBAL BALANCED FUND

A. GENERAL

The following "Terms Appearing in the Replacement Master Information Memorandum", wherever they may appear in the Replacement Master Information Memorandum as amended by any supplemental master information memorandum, shall be replaced with the following "Replacement Terms" and shall have the meaning given to such words under the Definitions section:

Terms Appearing in the Replacement Master Information Memorandum	Replacement Terms
regulated market	Regulated Market
money market instruments	Money Market Instruments
Guidelines on a Common Definition of European Money Market Funds	MMFR
third country	Third Country

B. DEFINITIONS

DEFINITIONS
Pages 2 - 9 of the Replacement Master Information Memorandum
Page 1 of Supplemental Master Information Memorandum

1. Paragraphs (b) and (d) under the definition of "Investment Manager of the Target Fund" are hereby amended to read as follows:

   "(b) Templeton Asset Management Ltd and Franklin Templeton International Services S.à r.l. for the Franklin Templeton Investment Funds-Templeton Asian Smaller Companies Fund;" *

   * *This amendment is effective 1 January 2020, subject to any change decided by the board of directors of the Company*.

   "(d) Templeton Asset Management Ltd and Franklin Advisers, Inc. for the Franklin Templeton Investment Funds-Templeton Global Balanced Fund;"

2. The definition of "MMFR" is hereby added immediately after the definition of "midsized companies" as follows:

   "means Money Market Fund Regulation, i.e. the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as it may be amended or supplemented from time to time."

3. The definition of "Money Market Instruments" is hereby added immediately after the definition of "MMFR" as follows:

"means instruments as defined in Article 2(1) of the UCITS Directive and as referred to in Article 3 of Commission Directive 2007/16/EC."

4. The definition of "Regulated Market" is hereby added immediately after the definition of "Redemption Price" as follows:

   "means a market within the meaning of point 21) of Article 4 of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

   Eligible State includes any member state of the EU, any member of the OECD, and any other state which the board of directors of the Company deems appropriate."

5. The definition of "Third Country" is hereby added immediately after the definition of "TGTRF" as follows:

   "means member countries of the Organisation of Economic Co-operation and Development ("OECD") that meet the credit quality criteria of the investment policy of the Target Funds that qualify as Money Market Funds"

C. CHAPTER 2 – RISK FACTORS

Section 2.3 SPECIFIC RISKS RELATED TO THE TARGET FUNDS
Pages 13 - 15 of the Replacement Master Information Memorandum

The specific risks for FTIF-TGTRF and FTIF-TGBF are deleted in their entirety and replaced with the following:

Target Funds	Risk Considerations
FTIF-TGTRF	• China Bond Connect risk * • Chinese Market risk * • Class Hedging risk • Convertible and Hybrid Securities risk • Counterparty risk • Credit risk • Credit-Linked Securities risk • Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk • Europe and Eurozone risk • Foreign Currency risk • Liquidity risk • Market risk • Securitisation risk • Structured Notes risk • Swap Agreements risk

	** effective from 16 December 2019 onwards*
FTIF-TGBF	• China Bond Connect risk * • Chinese Market risk • Class Hedging risk • Convertible and Hybrid Securities risk • Counterparty risk • Credit risk • Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk • Europe and Eurozone risk • Equity risk • Foreign Currency risk • Liquidity risk • Market risk • Securities Lending risk • Value Stocks risk ** effective from 16 December 2019 onwards*

Section 2.3 SPECIFIC RISKS RELATED TO THE TARGET FUNDS
Section 2.3.2 RISK CONSIDERATIONS
Pages 15 - 34 of the Replacement Master Information Memorandum

1. The write-ups relating to “Interest Rate Securities Risk”, “Low-Rated or Non-Investment Grade Securities Risk”, “Collateralised Debt Obligations Risk”, “Defaulted Debt Securities risk”, “Mortgage- and Asset-Backed Securities Risk”, “Mortgage Dollar Roll Risk” and “Sovereign Debt Risk“ are hereby deleted in their entirety.

2. The following write-up relating to “China Bond Connect Risk” is hereby added immediately before “Chinese Market Risk”:

“**China Bond Connect Risk**

Bond Connect is a mutual market access scheme allowing overseas investors to trade in bonds circulated on the China Interbank Bond Market (CIBM) through connection between the Mainland and Hong Kong financial infrastructure institutions without quota limitations.

The Northbound Trading link commenced on 3 July 2017 with transactions being made possible through mutual access arrangements in respect of trading, custody and settlement. It involves China Foreign Exchange Trading System, China Central Depository & Clearing Co, Shanghai Clearing House, Hong Kong Exchanges & Clearing plus the Central Moneymarkets Unit (CMU). A delivery versus payment (DVP) settlement system for transactions through the Bond Connect scheme was implemented in August 2018 thereby reducing settlement risk.

The ultimate foreign eligible investors are the beneficial owners of the relevant CIBM bonds and may exercise their rights against the bond issuer through CMU as the nominee holder. The nominee holder may exercise its creditor rights and bring actions against bond issuers in Chinese courts.

CIBM securities traded via the Bond Connect can be subject to risks including but not limited to regulatory risks, liquidity risk, operational risk, PRC tax risk and reputational risk.

The Bond Connect encompasses recently developed trading systems. There can be no assurance that those systems will function correctly or will not be subject to further changes or adaptation. The relevant rules and regulations may be subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Target Fund's ability to invest in the CIBM will be adversely affected. In such event, the Target Fund's ability to achieve its investment objective may be negatively affected.

There is no specific written guidance by the Mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors via the Bond Connect.

Securities traded through the Bond Connect may be subject to a range of reputational risks such as risks borne by companies being subject to cyber abuses, sanctions concerns and negative accusations over labor and human rights, environmental degradation, ties to high-risk countries and entities overseas."

3. The following write-up relating to "Debt Securities Risk" is hereby added immediately after "Credit Risk":

"**Debt Securities Risk**

A Target Fund that invests in debt securities or Money Market Instruments is subject to interest rate risk, credit risk, default risk and may be exposed to specific risks including but not limited to sovereign risk, high yield securities risk, restructuring risk and risk related to the use of credit ratings.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities.

Some Target Funds may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). These Target Funds may buy defaulted debt securities if, in the opinion of the Investment Manager and/or the Investment Co-Managers, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

Sovereign debt securities can be subject to risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt. There are generally no bankruptcy proceedings for sovereign debt. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. In the event of a default on sovereign debt, a Target Fund may have limited legal recourse against the defaulting government entity.

Target Funds may invest in Sovereign Debt issued by governments or government-related entities from countries referred to as Emerging Markets or frontier markets, which bear additional risks compared to more developed markets due to factors such as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

Some Target Funds may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") involve greater risk of loss, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally less liquid and their prices fluctuate more than higher-quality securities.

Some Target Funds may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations (including those involving bankruptcy). Such corporate events could be disruptive to the business and management structure of the companies involved, which may expose the Target Funds to higher investment risk.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer’s current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Target Fund’s investments or investment process.

Debt securities are subject to prepayment risk when the issuer can "call" the security, or repay principal, in whole or in part, prior to the security’s maturity. When a Target Fund reinvests the prepayments of principal it receives, it may receive a rate of interest that is lower than the rate on the existing security, potentially lowering the Target Fund’s income, yield and its distributions to shareholders. Securities subject to prepayment may offer less potential for gains during a declining interest rate environment and have greater price volatility. Prepayment risk is greater in periods of falling interest rates.”

4. The first paragraph under the write-up relating to “Repurchase and Reverse Repurchase Transactions Risk” is hereby deleted and replaced with the new first paragraph as follows:

   “The entering by the Company into repurchase or reverse repurchase agreements transactions, as contemplated in Section 4.10.4 of this Information Memorandum "Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments" involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.”

5. The following write-up relating to “Securitisation Risk” is hereby added immediately after “Securities lending risk”:

   “**Securitisation Risk**

A securitisation, as defined in the article 2 of Regulation (EU) 2017/2402 of the European Parliament and of the council of 12 December 2017 is a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranched, having all of the following characteristics: (i) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (ii) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (iii) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013.

Securitisation encompasses a wide-range of assets including "Asset-backed Securities", "Collateralised Debt Obligations" and "Mortgage-backed Securities".

A Securitisation is composed of multiple tranches, usually spanning from the equity tranche (highest risk) to the senior tranche (the lowest risk). The performance of each tranche is determined by the performance of the underlying assets or "collateral pool".

The collateral pool can encompass securities with different credit qualities, including high-yield securities and junk bonds, and the credit rating of the tranche is not reflective of the quality of the underlying assets.

Mortgage-backed securities differ from conventional debt securities in that principal is paid back over the life of the security rather than at maturity, as the underlying mortgages are subject to unscheduled pre-payments of principal before the security's maturity date due to voluntary prepayments, refinancings or foreclosures on the underlying mortgage loans. To the Target Fund this means a loss of anticipated interest, and a portion of its principal investment represented by any premium the Target Fund may have paid over par at the time of purchase. Mortgage pre-payments generally increase when interest rates fall.

Mortgage-backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of pre-payments on mortgage-backed securities and extend their life. This could cause the price of the mortgage-backed securities to be more sensitive to interest rate changes. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Collateralised Mortgage Obligations (CMOs) are securities backed by a pool of mortgage pass-through securities or actual mortgage loans that are structured into various tranches with varying maturities and varying priorities in terms of their access to the principal and interest payments from the underlying assets. Such securities will have, depending on the tranches, varying degrees of pre-payment risk and credit risk, depending on their priority in the capital structure. The shorter, more senior tranches will generally be lower risk than the longer dated, more junior tranches.

Mortgage-backed securities may be offered as interest only (IO) or principal only (PO) strips, where only the interest or the principal of the underlying mortgages in the pool is passed on to the security holders. These types of securities are highly sensitive to the pre-payment experience associated with the underlying mortgages and will behave in opposite ways to the same trend in pre-payments. For IO securities, early pre-payments within the pool will mean less than expected interest payments since the mortgages will have terminated, adversely affecting security holders. For PO securities, early pre-payments within the pool will mean quicker repayment of principal than expected, benefiting security holders. Because of the highly sensitive nature of these securities, the possibility of sharp declines in prices is much greater compared to conventional mortgage-backed securities.

Mortgage- and asset-backed securities may be structured as synthetic securities. For example, the CMBX is a credit default swap on a basket of CMBS bonds, constituting in effect a CMBS index. By purchasing such an instrument, the Target Fund is buying protection (i.e. the ability to get par for the bonds in the event of an unfavourable credit event), allowing the Target Fund to hedge its exposure or go short the CMBS sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Target Fund is selling protection and effectively getting long exposure to the CMBS sector more quickly and efficiently than purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying ABS or MBS securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

Asset-backed securities are very similar to mortgage-backed securities, except that the securities are collateralised by other types of assets besides mortgages, such as credit card receivables, home-equity loans, manufactured homes, automobile loans, student loans, equipment leases, or senior bank loans, among others. Like mortgage-backed securities, asset-backed securities are subject to pre-payment and extension risks.

Collateralised Loan/Debt Obligations (CLOs/CDOs) are similar to ABS/MBS type of securities. The main difference being the nature of the collateral pool, which is not constituted of debt securities or mortgages but rather leveraged loans issued by corporates.

In addition to the normal risks associated with debt securities and asset backed securities (e.g., interest rate risk, credit risk and default risk), CDOs and CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or quality or go into default or be downgraded; (iii) a Target Fund may invest in tranches of a CDO or CLO that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer, difficulty in valuing the security or unexpected investment results."

D. CHAPTER 4 – INFORMATION ON THE TARGET FUNDS

Section 4.1 STRUCTURE OF THE TARGET FUNDS
Pages 47 - 48 of the Replacement Master Information Memorandum
Page 3 of the Supplemental Master Information Memorandum

The last two rows of the table under this Section are amended* as follows:

Target Funds	Investment Managers of the Target Funds
FTIF-TASCF	Templeton Asset Management Ltd and Franklin Templeton International Services S.à r.l.

FTIF-TGBF	Templeton Asset Management Ltd and Franklin Advisers, Inc

* *The amendment relating to FTIF-TASCF is effective on 1 January 2020, subject to any change decided by the board of directors of the Company*

Section 4.5 INVESTMENT MANAGERS OF THE TARGET FUNDS
Pages 49 - 50 of the Replacement Master Information Memorandum
Page 3 of the Supplemental Master Information Memorandum

The write-up relating to Franklin Templeton Investment Management Limited under this Section is deleted in its entirety and the following write-up relating to Franklin Templeton International Services S.à r.l. is added* immediately after the last paragraph under this Section:

"**Franklin Templeton International Services S.à r.l., incorporated in Luxembourg**

Kindly refer to the write-up under Section 4.4 above."

* *This addition is effective on 1 January 2020, subject to any change decided by the board of directors of the Company*

Section 4.6 REGULATORY AUTHORITIES OF THE INVESTMENT MANAGERS OF THE TARGET FUNDS
Page 50 of the Replacement Master Information Memorandum
Page 3 of the Supplemental Master Information Memorandum

The last two rows of the table under this Section are amended* as follows:

Target Funds	Investment Managers of the Target Funds	Regulatory Authorities of the Investment Managers of the Target Funds
FTIF-TASCF	Templeton Asset Management Ltd Franklin Templeton International Services S.à r.l.	Monetary Authority of Singapore Commission de Surveillance du Secteur Financier
FTIF-TGBF	Franklin Advisers, Inc. Templeton Asset Management Ltd	U.S. Securities and Exchange Commission Monetary Authority of Singapore

* *The amendment relating to FTIF-TASCF is effective on 1 January 2020, subject to any change decided by the board of directors of the Company*

Section 4.8 INVESTMENT POLICIES AND STRATEGIES OF THE TARGET FUNDS
Section 4.8.1 FTIF-TGTRF
Pages 51 of the Replacement Master Information Memorandum

The write-up under this Section is hereby deleted in its entirety and replaced by the following:

"The Target Fund seeks to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities worldwide. The Target Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank.

The Target Fund employs a proprietary Environmental, Social and Governance (ESG) rating methodology to assess government bond issuers, which is derived from a composite of subcategories determined to be material to macroeconomic performance. The research team assigns scores on all invested countries by overlaying their views on a benchmark created by global indexes for current scores. Projected numbers in anticipation of how conditions will change in the medium term are emphasized as part of the research process. Preference is given to countries with higher ESG ratings or projected neutral to improving ESG ratings. ESG subcategories, weightings, and global indexes used may change over time. The Investment Manager of the Target Fund performs the ESG rating methodology on all potential and current holdings but the results of this methodology can be deviated from in the portfolio construction.

The Target Fund may also utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be dealt either in Regulated Markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps, interest rate swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Target Fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. The Target Fund may also purchase mortgage and asset-backed securities and convertible bonds. The Target Fund may hold up to 10% of its net assets in securities in default. The Target Fund may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Target Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs. The Target Fund may also participate in mortgage dollar roll transactions.

The Target Fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently cause new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove Fund assets from exposure to the market. On an ancillary basis, the Target Fund may gain exposure to debt market indexes by investing in index- based financial derivatives and credit default swaps.

The Target Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase.

The Target Fund may also make distribution from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

The Target Fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct).*

The base currency of the Target Fund is USD.

** effective from 16 December 2019 onwards.*”

Section 4.8 INVESTMENT POLICIES AND STRATEGIES OF THE TARGET FUNDS
Section 4.8.5 FTIF-TGBF
Pages 52 - 53 of the Replacement Master Information Memorandum
Page 4 of the Supplemental Master Information Memorandum

The following paragraph is hereby added* immediately after the fourth paragraph under this Section:

"The Target Fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct)."

* *This amendment shall take effect from 16 December 2019 onwards.*

Section 4.10 PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS AND LIMITS OF THE TARGET FUNDS
Section 4.10.1 INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS
Pages 54 - 59 of the Replacement Master Information Memorandum

Paragraph (a)(i) under this Section is hereby deleted in its entirety and replaced with the following new Paragraph (a)(i):

“transferable securities and Money Market Instruments admitted to or dealt on a Regulated Market;”

Section 4.10 PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS AND LIMITS OF THE TARGET FUNDS
Section 4.10.4 USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS
Pages 62 - 66 of the Replacement Master Information Memorandum

The subsection title “(a) Repurchase transactions and securities lending transactions” is hereby deleted in its entirety and replaced with the new title “(a) Repurchase and reverse repurchase agreement transactions and securities lending transactions”.

Under this same subsection, the first and third paragraphs under “(i) Types and purpose” are hereby deleted and replaced respectively with the following new first and third paragraphs:

“To the maximum extent allowed by, and within the limits set forth in, the law of 17 December 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and the Luxembourg supervisory authority's positions (the "Regulations"), in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law of 20 December 2002 on undertakings for collective investment and of (ii) CSSF Circulars 08/356 and 14/592, the Target Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase and reverse repurchase agreement transactions and (B) engage in securities lending transactions."

"The form and nature of the collateral will primarily consist of cash and highly rated sovereign fixed income securities that meets particular ratings criteria and will be equal to or greater than the value of the securities lent. Eligible collateral for securities lending transactions would be negotiable debt obligations (collectively "AA - Level Sovereign Bonds") issued by governments (such as Australia, Belgium, Canada, Denmark, France, Germany, the Netherlands, Norway, New Zealand, Sweden, Switzerland, the United States, the United Kingdom, etc.), having a credit rating of at least AA- from S&P and/or Aa3 from Moody's, respectively and denominated in the official currency of the relevant country and issued on the relevant domestic market (but excluding derivatives of other securities and inflation-linked securities). The collateral received by the Company in respect of repurchase agreements transactions may be US Treasury bills or US government agency bonds supported by the full faith and credit of the US government and/or core Eurozone sovereign debt rated AA- or above. Acceptable tri-party collateral to the Custodial Undertaking in connection with the Master Repurchase agreement include, US Treasuries (Bill, Notes, and Bonds), and the following Government Sponsored Agencies: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp (FHLMC), and Federal Farm Credit System (FFCB)."

Section 4.12 BASES FOR VALUATION AND VALUATION OF THE TARGET FUNDS
Section 4.12.1 BASES FOR VALUATION USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS
Pages 67 - 68 of the Replacement Master Information Memorandum

Paragraphs (b), (d) and (e) under "Total liabilities include:" in this section are hereby deleted in their entirety and replaced respectively with the following new paragraphs (b), (d) and (e):

"(b) all accrued or payable administrative expenses (including fees by the management company of the Target Funds, investment management and/or advisory fees, depository fees, and corporate agents' fees);"

"(d) an appropriate provision for future taxes based on capital and income to the valuation day, as determined from time to time by the Company, and other provisions, if any, authorised and approved by the board of directors of the Company covering, among others, liquidation expenses; and"

"(e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares in the Company. In determining the amount of such liabilities the Company shall take into account all relevant expenses payable by the Company comprising formation expenses, fees and expenses at the accounts, fees payable to the management company of the Target Funds for the performance of its various services and for those rendered by the Investment Managers of the Target Funds and/or investment advisers, the depositary and local paying agents and permanent representatives in places of registration, any other agent employed by the Company, fees for legal and auditing services, insurance premiums, printing, reporting and publishing expenses, including the cost of advertising and/or preparing and printing of the prospectuses, KIIDs (which means a key investor information document within the meaning of article 159 of the Luxembourg Law of 17 December 2010), explanatory memoranda or registration statements, investment research fees, taxes or governmental or supervisory charges, all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage commissions, postage, telephone, telex, telefax message and facsimile (or other similar means of communication). The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period."

E. CHAPTER 7 – PEOPLE BEHIND THE MANAGER

Section 7.4 BOARD OF DIRECTORS
Page 86 of the Replacement Master Information Memorandum
Page 7 of the Supplemental Master Information Memorandum

The write-up relating to "Board of Directors" is hereby deleted in its entirety and replaced with the following:

"Mark Browning (non-independent director)

Sandeep Singh (non-independent director)

Mohd Ridzal Sheriff (independent director)

Avinash Satwalekar (non-independent director)

Lim Seh Kuan (non-independent director)"