

# **ASHMORE SICAV**

## **PROSPECTUS**

The date of this Prospectus is May 2016

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# 1 PRINCIPAL FEATURES AND DEFINITIONS

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## 1.1 Principal Features

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

<b>Fund</b>	The Fund is an investment company organised under Luxembourg law as a société anonyme qualifying as a société d'investissement à capital variable. The Fund may comprise several Sub-Funds. Each Sub-Fund may have one or more Classes of Shares. The Fund is governed by Part I of the Law of 2010 and qualifies as a UCITS under the UCITS Directive.
<b>Sub-Funds</b>	The Fund offers investors, within the same investment vehicle, a choice of investment in one or more Sub-Funds, which are distinguished mainly by their specific investment policies and objective and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Sub-Funds Appendix. The Board of Directors of the Fund may, at any time, decide to create additional Sub-Funds and, in such case, this Prospectus will be updated by completing the Sub-Funds Appendix.
<b>Reference Currency</b>	The currency in which all the underlying assets of the relevant Sub-Fund or Class is valued. The details are described in the Sub-Funds Appendix.
<b>Classes</b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate Classes of Shares the assets of which will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum subscription amount or dividend policy may be applied or which are denominated in a particular currency or are available only to certain types of investor. The details of each Class are described in section 10.1.2, as supplemented by the Sub-Funds Appendix for each Sub-Fund.
<b>Shares</b>	Shares of each Sub-Fund will be offered in registered form only. Shares may also be held through recognised clearing institutions. Fractions of Shares will be issued up to three decimal places. All Shares must be fully paid up.
<b>Available Share Classes Document</b>	The Classes of Shares available in each Sub-Fund will be set out in the Available Share Classes Document showing the ISINs for all available share classes at <a href="http://www.ashmoregroup.com/our-funds">http://www.ashmoregroup.com/our-funds</a> and from the registered office of the Fund upon request. It will be updated as new Sub-Funds or Classes become available.
<b>Listing of Shares</b>	Each Class of Shares of each Sub-Fund may be listed on the Luxembourg Stock Exchange as described more particularly in each Sub-Fund's Appendix.

**Subscription for Shares**

The offering price per Share of each Class will be the net asset value per Share of such Class determined on the applicable Valuation Day (as defined below), plus any applicable sales charge.

**ERISA**

Subject to the provisions of this Prospectus and the relevant applicable U.S. and/or ERISA requirements, Benefit Plan Investors may, at the sole discretion of the Fund, be permitted to subscribe for Shares in a Sub-Fund. Except as otherwise described within a Sub-Fund's Appendix, the Fund intends to limit investment by Benefit Plan Investors in a Sub-Fund such that, after giving effect to any such subscription, less than 25% of the total value of each Share Class in such Sub-Fund is held by such Benefit Plan Investors (based on assurances received from investors). To the extent applicable with respect to a Sub-Fund, the Fund intends to exercise its power to compulsorily redeem Shares of a Shareholder, in whole or in part, from the relevant Sub-Fund(s) if it becomes necessary to ensure that Benefit Plan Investors hold less than 25% (or any other threshold that the Board deems appropriate) of the total value of each Share Class in such Sub-Fund(s) so that the Sub-Fund does not hold "plan assets".

**Redemption of Shares**

Subject to certain terms and conditions specified herein, Shareholders may at any time request redemption of their Shares, at a price equal to the net asset value per Share of the Class concerned, determined on the applicable Valuation Day (as defined below).

**Conversion of Shares**

Subject to compliance with any conditions specified herein (including any minimum subscription or holding amount of the Class into which conversion is to be effected), Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class denominated in the same currency or, only with the consent of the Management Company, denominated in another currency of that or another Sub-Fund on the basis of the net asset values of both Classes concerned.

**Business Day**

Any day in which banks in Luxembourg and London are open for normal banking business (excluding Saturdays and Sundays) or such other day as the Directors shall determine from time to time.

In respect of Ashmore SICAV Emerging Markets Growth Fund, any day on which banks are open for normal banking business in Luxembourg, London and New York (excluding Saturdays and Sundays) or such other day as the Directors shall determine from time to time).

In respect of Ashmore SICAV Turkish Debt Fund and Ashmore SICAV Turkish Equity Fund, any day on which banks in all of London, Luxembourg, Istanbul and New York are open for normal banking business (excluding Saturdays and Sundays).

In respect of Ashmore SICAV Indian Small-Cap Equity Fund, any day on which the Bombay Stock Exchange (*i.e.* BSE Ltd) and banks in all of

	London and Luxembourg are open for normal banking business (excluding Saturdays and Sundays).
<b>Valuation Day</b>	The net asset value per Share of each Class is determined on each Valuation Day. A “Valuation Day” in relation to any Sub-Fund is every day which is a Business Day.
<b>Primary Market</b>	The market on which Shares are issued and/or redeemed by the Fund directly, subject to the terms and conditions of this Prospectus.
<b>Secondary Market</b>	The market on which the Shares can be purchased and/or sold directly on the Relevant Stock Exchanges or through Authorised Participants, as further explained in Section 10.2 of this Prospectus. Section 10.2 of this Prospectus is relevant only for Ashmore Source UCITS ETF Shares.
<b>Ashmore Source UCITS ETF Shares</b>	The UCITS ETF Shares that are actively managed exchange-traded Shares denominated as “Ashmore Source UCITS ETF Shares”.
<b>Management Company</b>	Northern Trust Luxembourg Management Company S.A., registered in Luxembourg as a Management Company under Chapter 15 of the Law of 2010, will act as designated Management Company of the Fund. As such, it will render services to the Fund including, without limitation: (i) investment management services, (ii) administrative agency, corporate and domiciliary agency, registrar and transfer agency services, and (iii) marketing, principal distribution and sales services. The Management Company has delegated the investment management services and the marketing, principal distribution and sales services to Ashmore Investment Management Limited.
<b>Investment Manager and Principal Sales Agent</b>	Ashmore Investment Management Limited will act as Investment Manager and Principal Sales Agent in relation to all Sub-Funds by delegation of the Management Company.
<b>Sub-Managers</b>	Ashmore Equities Investment Management (US) LLC and Ashmore Portfoy Yonetimi Anonim Sirketi will act as Sub-Manager in relation to certain Sub-Funds by delegation of the Investment Manager, as detailed in the relevant Sub-Funds Appendix and under section 9.3 ‘Investment Manager and Principal Sales Agent’.
<b>Sales Agents</b>	The Principal Sales Agent may appoint a number of Sales Agents to distribute the Shares in certain countries. A list of the Sales Agents is available from the offices of the Management Company.
<b>Depository</b>	The assets of the Fund are held under the custody or control of Northern Trust Global Services Limited, London (Royaume-Uni), Luxembourg Branch. The Depository will also act as the principal paying agent of the Fund.

## 1.2 Definitions

“Accumulation Shares”	Shares providing for the net income earned to be retained in the net asset value of the Share and representing such number of Shares in the capital of the Fund as is equal to a Share issued at subscription and increased by the amount of retained net income proportionately equal to that paid on Distribution Shares in respect of each intervening accounting period;
“Amended and Restated Management Company Services Agreement”	the Amended and Restated Management Company Services Agreement dated 25 February 2010 entered into by the Management Company and the Fund;
“Application Form”	The application form as required by the Management Company and/or the Sales Agents. Please see section 10.1 of this Prospectus;
“Articles of Incorporation”	the articles of incorporation of the Fund, as may be amended from time to time;
“Ashmore Associate”	any subsidiary of Ashmore Group plc;
“Ashmore Funds”	funds managed or advised by the Investment Manager or the Sub-Managers;
“Ashmore Source UCITS ETF Shares”	The UCITS ETF Shares that are actively managed exchange-traded Shares denominated as “Ashmore Source UCITS ETF Shares”;
“Auditors”	KPMG Luxembourg, acting in its capacity as auditor of the Fund;
“Authorised Participant”	an entity or person authorised by the Fund for the purposes of subscribing for and redeeming Ashmore Source UCITS ETF Shares within a Sub-Fund. The Fund may add or replace an Authorised Participant from time to time without prior notice to Shareholders. A list of current Authorised Participants will be made available at the registered office of the Fund as well as on <a href="http://www.source.info">http://www.source.info</a> ;
“Available Share Classes Document”	document listing the Share Classes (and corresponding ISINs) that are available in each Sub-Fund. The Available Share Classes Document is available at <a href="http://www.ashmoregroup.com/our-funds">http://www.ashmoregroup.com/our-funds</a> and may be obtained free of charge and upon request, from the registered office of the Fund;
“Benefit Plan Investors”	(i) any employee benefit plan (as defined in section 3(3) of ERISA), that is subject to the provisions of Title I of ERISA, (ii) any plan to which section 4975 of the U.S. Internal Revenue Code of 1986 applies or (iii) any entity whose underlying assets include plan assets by reason of the investment by a plan described in (i) or (ii) in the entity;

“Board”, “Directors” or “Board of Directors”	the members of the board of directors of the Fund, for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time;
“BRL Class”	the class of Institutional and Retail Share Classes which are denominated in US\$ but hedged against Reais, as described in the Sub-Funds Appendix;
“Business Day”	<p>any day on which banks are open for normal banking business in Luxembourg and London (excluding Saturdays and Sundays) or such other day as the Directors shall determine from time to time;</p> <p>In respect of Ashmore SICAV Emerging Markets Growth Fund, any day on which banks are open for normal banking business in Luxembourg, London and New York (excluding Saturdays and Sundays) or such other day as the Directors shall determine from time to time);</p> <p>In respect of Ashmore SICAV Turkish Debt Fund and Ashmore SICAV Turkish Equity Fund, any day on which banks in all of London, Luxembourg, Istanbul and New York are open for normal banking business (excluding Saturdays and Sundays);</p> <p>In respect of Ashmore SICAV Indian Small-Cap Equity Fund, any day on which the Bombay Stock Exchange (<i>i.e.</i> BSE Ltd) and banks in all of London and Luxembourg are open for normal banking business (excluding Saturdays and Sundays);</p>
“CET”	Central European Time;
“CSDCC”	The China Depository and Clearing Corporation Limited;
“CSRC”	The Chinese Securities Regulatory Commission;
“Country Supplement”	document, as may be distributed separately or as part of this Prospectus in certain jurisdictions, that contains important information about the offer of the Sub-Funds in such jurisdictions as required by local laws;
“Class”	a class of Shares in a Sub-Fund;
“CSSF”	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Authority;
“Depository”	Northern Trust Global Services Limited, London (Royaume-Uni), Luxembourg Branch acting in its capacity as depository of the Fund’s assets. Northern Trust Global Services Limited, London (Royaume-Uni), Luxembourg Branch will also act as principal paying agent of the Fund;
“Depository and Paying Agent Agreement”	the depository agreement dated 23 March 2016 entered into by the Depository, the Management Company and the Fund;



“Discretionary Investment Management and Sales Agent Agreement”	an agreement dated 11 July 2005, as amended, between the Management Company, the Fund, and the Investment Manager and Principal Sales Agent pursuant to which the latter acts as investment manager and principal sales agent of the Fund;
“Distribution Shares”	Shares providing for the right to dividends in respect of available income;
“Emerging Market”	<p>any country included by the International Monetary Fund in its list of Emerging and Developing Economies, any country which is considered a Low-income, Lower-middle income or Upper-middle income economy by the World Bank, any country which is included in an Emerging Markets Index and any other country which the Investment Manager may determine qualifies or no longer qualifies, as the case may be, as an Emerging Market. Some of the markets organised in such Emerging Markets may not be Regulated Markets or Other Regulated Markets, in which case investment in securities dealt in on such markets will be made in compliance with section 6, "Investment Restrictions", under 6B(1);</p> <p>The Board of Directors will determine from time to time which markets qualify as Other Regulated Markets;</p>
“Emerging Market Index”	each of J.P. Morgan Corporate Emerging Markets Bond Index Diversified, J.P. Morgan Government Bond Index Emerging Market Global Diversified, J.P. Morgan Emerging Local Markets Index Plus, J.P. Morgan Emerging Markets Bond Index Global Diversified, HSBC Asian US Dollar Bond Index and MSCI Emerging Markets Index;
“ERISA”	the U.S Employee Retirement Income Security Act of 1974, as amended;
“EU”	European Union;
“FATCA”	the provisions of the Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA);
“Fund”	Ashmore SICAV;
“G7”	comprises the following countries: United States of America, Japan, Germany, France, UK, Italy and Canada;
"Group of Companies"	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended;
“Institutional Class(es) Shares”	Classes of Shares which are only available for subscription and holding by Institutional Investors;

"Institutional Investors"	institutional investors, as defined by guidelines or recommendations issued by the CSSF from time to time;
"Investment Manager"	Ashmore Investment Management Limited, the investment manager of the Fund by delegation of the Management Company;
"Law of 2010"	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time;
"Listing Agent" "Management Company"	Banque et Caisse d'Epargne de l'Etat Luxembourg; Northern Trust Luxembourg Management Company S.A. as designated management company of the Fund;
"Management Company Fee"	the management company fee payable to the Management Company;
"Management Fee"	the management fee payable to the Investment Manager;
"Market Makers"	financial institutions that are a member of the Relevant Stock Exchanges and have signed a market making contract with the Investment Manager or that are registered as such with the Relevant Stock Exchanges;
"Member State"	a member state of the European Union;
"Money Market Instrument"	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, as referred to in the UCITS Directive;
"OECD"	Organisation for Economic Cooperation and Development;
"Other Regulated Market"	market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or by a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public;
"Other State"	any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania;
"PBOC"	the People's Bank of China;
"Performance Fee"	the performance fee payable to the Investment Manager as defined under the section 12. "Fees and Expenses";

Performance Fee Share Class	the performance fee in respect of certain Share Classes as specified in the relevant Sub-Fund appendix;
Performance Period	the initial performance period for the relevant Performance Fee Share Class shall commence on the Performance Fee Share Class's launch date and end on 31 December of the same year. Subsequent performance periods will commence on 1 January and end on 31 December;
"Primary Market"	the market on which Shares are issued and/or redeemed by the Fund directly, subject to the terms and conditions of this Prospectus;
"Principal Sales Agent"	Ashmore Investment Management Limited, the principal sales agent of the Fund by delegation of the Management Company;
"PRC"	the People's Republic of China;
"PRC Custodian"	HSBC Bank (China) Company Limited;
"Recognised Clearing and Settlement System"	any clearing system for the settlement of transactions in relation to the Ashmore Source UCITS ETF Shares which currently comprise Crest-UK, Clearstream Banking SA, Clearstream Banking AG, Euroclear, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG, SIX (Swiss clearing system), Xetra and NECIGEF ("Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.", the Dutch central institute for giro transferred securities) and such other recognised clearing systems within the European Economic Area that the Fund may determine from time to time;
"Reference Currency"	the currency in which all the underlying assets of the relevant Sub-Fund or Class are valued and reported;
"Regulated Market"	a regulated market as defined in the Council Directive 2004/39/EC dated 21 April 2004 on markets in financial instruments ("Directive 2004/39/EC"), namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interest in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of the Directive 2004/39/EC, as may be amended from time to time;
"Relevant Stock Exchanges"	markets on which the Ashmore Source UCITS ETF Shares of the Sub-Funds will be listed such as the Luxembourg Stock Exchange, the London Stock Exchange, the SIX Swiss Exchange or the Deutsche Börse and/or such other stock exchanges as the Fund may determine from time to time. A list of the Relevant Stock Exchanges where the Ashmore Source UCITS ETF Shares can be bought and sold can be obtained from the registered office of the Fund as well as on <a href="http://www.source.info">http://www.source.info</a> ;

“Retail Class Shares”	Classes of Shares (including the Z Class Shares) which are available for subscription and holding by all investors;
“R-QFII”	a RMB qualified foreign institutional investor approved pursuant to the R-QFII Regulations (as amended from time to time);
“R-QFII Regulations”	includes (but are not limited to) (a) the “Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors” issued by the CSRC, the PBOC and the SAFE and effective from 1 March 2013; (b) the “Implementation Rules for the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors” issued by the CSRC and effective from 1 March 2013; (c) the “Circular on Issues Related to the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors” issued by SAFE and effective from 21 March 2013; (d) the “Notice of the People's Bank of China on the Relevant Matters concerning the Implementation of the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors”, issued by the PBOC and effective from 2 May 2013; and (e) any other applicable regulations promulgated by the relevant authorities;
“SAFE”	the State Administration of Foreign Exchange of the PRC;
“Sales Agent”	a sales agent, including the Principal Sales Agent (as defined), appointed to distribute one or more Share Classes;
“Secondary Market”	the market on which the Shares can be purchased and/or sold directly on the relevant stock exchanges or through authorised participants. Section 10.2 of this Prospectus is relevant only for the Ashmore Source UCITS ETF Shares;
“Shares”	shares in the Fund or a Sub-Fund offered in registered form;
“Shareholder”	a person recorded as a holder of Shares in the Fund’s register of shareholders;
“SICAV”	a <i>société d’investissement à capital variable</i> ;
“Sovereign”	any country which the Investment Manager determines is an Emerging Market (unless otherwise provided for with respect to a particular Sub-Fund);
“Sub-Fund”	a separate sub-fund established and maintained in respect of one or more Classes of Shares to which the assets and liabilities and income and expenditure attributable or allocated to each such Class or Classes of Shares will be applied or charged;
“Sub-Manager(s)”	Ashmore Equities Investment Management (US) LLC and Ashmore Portfoy Yonetimi Anonim Sirketi, the sub-managers in relation to certain Sub-Funds, by delegation of the Investment Manager;

"Transferable Securities"	<p>securities such as:</p> <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;</li> <li>- loan participations;</li> </ul>
"UCI"	an undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets;
"UCITS"	an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive;
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as may be amended from time to time;
"UK"	the United Kingdom;
"United States" or "U.S" or "US"	the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico;
"US Person"	subject to such applicable laws and to such changes as may be notified by the Fund and/or the Management Company to applicants for, or transferees of, Shares, a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act, under Rule 4.7 under the CEA, or under the US Internal Revenue Code, as the case may be;
"Valuation Day"	the day on which the net asset value per Share of each Class of Shares is determined being a Business Day;
"1933 Act"	the United States Securities Act of 1933, as amended.

In this Prospectus all references to "Euro" and "€" are to the unit of the European single currency, all references to "US Dollars" and "US\$" are to the currency of the United States, all references to "GBP" and "£" are to the currency of Great Britain, all references to "DKK" and "Danish Krone" are references to the currency of Denmark, all references to "NOK" and "Norwegian Krone" are references to the currency of Norway, all references to "SEK" and "Swedish Krona" are to the currency of Sweden, all references to "CHF" and "Swiss Franc" are to the currency of Switzerland, all references to "JPY", "¥" and "Japanese Yen" are references to the currency of Japan, all references to "Reals", "Real" and "BRL" are to the currency of Brazil, all references to "AUD" are to the currency of Australia, all references to "MXN" are to the currency of Mexico, all references to "CAD" are to the currency of Canada, all references to "SGD" are to the currency of Singapore, all

references to “TRY” are to the currency of Turkey and all references to “RMB” are to the currency of the PRC (where all references to “RMB(CNY)” are to the RMB traded in the PRC and all references to “RMB(CNH)” are to the RMB traded outside the PRC)..

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## 2 SUB-FUNDS APPENDIX

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The information contained in this section should be read in conjunction with the full text of this Prospectus.

The Fund currently has twenty-six Sub-Funds, details of which are set out below:

**External Debt Funds:** Ashmore SICAV Emerging Markets Debt Fund  
Ashmore SICAV Emerging Markets Sovereign Debt Fund  
Ashmore SICAV Emerging Markets Sovereign Investment Grade Debt Fund

**Local Currency Funds:** Ashmore SICAV Local Currency Fund  
Ashmore SICAV Emerging Markets Local Currency Bond Fund  
Ashmore SICAV Emerging Markets Investment Grade Local Currency Fund  
Ashmore SICAV Emerging Markets Local Currency Bonds (Broad) Fund  
Ashmore SICAV Turkish Debt Fund

**Blended Debt Funds:** Ashmore SICAV Emerging Markets Absolute Return Debt Fund  
Ashmore SICAV Emerging Markets Total Return Fund  
Ashmore SICAV Emerging Markets Investment Grade Total Return Fund  
Ashmore SICAV Emerging Markets Short Duration Fund

**Corporate Debt Funds:** Ashmore SICAV Emerging Markets Corporate Debt Fund  
Ashmore SICAV Emerging Markets Investment Grade Corporate Debt Fund  
Ashmore SICAV Emerging Markets High Yield Corporate Debt Fund  
Ashmore SICAV Emerging Markets Local Currency Corporate Debt Fund  
Ashmore SICAV Emerging Markets Asian Corporate Debt Fund

**Equity Funds:** Ashmore SICAV Emerging Markets Growth Fund  
Ashmore SICAV Emerging Markets Value Fund  
Ashmore SICAV Emerging Markets Global Small-Cap Equity Fund  
Ashmore SICAV Emerging Markets Frontier Equity Fund  
Ashmore SICAV Turkish Equity Fund  
Ashmore SICAV Latin American Small-Cap Equity Fund  
Ashmore SICAV Middle East Equity Fund  
Ashmore SICAV Indian Small-Cap Equity Fund  
Ashmore SICAV Latin American Equity Fund

## **EXTERNAL DEBT**

### **2.1 ASHMORE SICAV EMERGING MARKETS DEBT FUND**

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities (Sovereign, Sovereign guaranteed and public sector and private sector corporate) denominated in US Dollars, Euros, Swiss Francs and other major currencies including also investing in financial derivative instruments, as described further below and Emerging Market transferable debt securities denominated in Emerging Market local currencies.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.



The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

### Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market transferable debt securities. It may also be suitable for more experienced investors wishing to attain defined investment objective in Emerging Market transferable debt securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund is designed for the investment objective of long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristic of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currencies	Distribution policy	Listing	Fee Structure
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee** 0.95% Sales charge# 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee** 0.40% Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee Sales charge# N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee** 1.50% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** 0.95% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** 0.75% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.2 ASHMORE SICAV EMERGING MARKETS SOVEREIGN DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Sovereign transferable debt securities and other instruments issued by Sovereigns and Quasi-Sovereigns denominated in US Dollars and other major currencies, including also investing in financial derivative instruments and related synthetic structures or products.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Cash and Money Market Instruments will not exceed 10% of the net asset value of the Sub-Fund which excludes margin paid on derivatives used in terms of section 7 hereof. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Total return swaps and credit linked notes are fully funded or fully covered with cash. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments". Any short options must be fully covered with cash. Where options are sold the Sub-Fund must hold the asset.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

The Sub-Fund shall not invest in Transferable Securities of any issuers other than Sovereigns and Quasi-Sovereigns. This restriction is not applicable to shares of UCITS or UCIs.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **“Index”** means the JPMorgan Emerging Markets Bond Index Global Diversified or an equivalent index as determined by the Investment Manager;\* and
- **“Quasi-Sovereign”** means an entity 100% guaranteed by a Sovereign or an entity in the Index that is not a Sovereign.\*

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Fee Structure
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** 0.85% Sales charge# 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee** 0.40% Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee N/A Sales charge# 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** 1.40% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.85% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.70% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with

respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.3 ASHMORE SICAV EMERGING MARKETS SOVEREIGN INVESTMENT GRADE DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from investment grade Emerging Market transferable debt securities and other instruments issued by Sovereigns and Quasi-Sovereigns denominated in US Dollars and other major currencies as well as local currencies, including also investing in financial derivative instruments and related synthetic structures or products, provided that such securities or instruments, and in the case of currencies, the Sovereign issuer, is investment grade.

All the Transferable Securities must be rated investment grade by Standard & Poor's or equivalent rating from Moody's or Fitch. Investment grade means with a rating of BBB- or above from Standard & Poor's or equivalent rating from Moody's or Fitch, provided that in the case of securities, if the security is not rated at the time of acquisition, the rating of the relevant issuer or the Sovereign shall apply. If a security or, in the case of currencies, the Sovereign issuer, is rated by two or more rating agencies, the highest rating will apply. If a security or, in the case of currencies, the Sovereign issuer, is downgraded after the date of acquisition by the Sub-Fund then the Investment Manager has discretion as to whether to hold the security or currency.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Cash and Money Market Instruments will not exceed 10% of the net asset value of the Sub-Fund which excludes margin paid on derivatives used in terms of section 7 hereof. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Total return swaps and credit linked notes are fully funded or fully covered with cash. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments". Any short options must be fully covered with cash. Where options are sold the Sub-Fund must hold the asset.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap



counterparty is a credit institution of the type set forth under section 6 “Investment Restrictions” which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

The Sub-Fund shall not invest in Transferrable Securities of any issuers other than Sovereigns and Quasi-Sovereigns. This restriction is not applicable to shares of UCITS or UCIs.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund’s Appendix:

- **“Index”** means the JPMorgan Emerging Markets Bond Index Global Diversified or an equivalent index as determined by the Investment Manager;\* and
- **“Quasi-Sovereign”** means an entity 100% guaranteed by a Sovereign or an entity in the Index that is not a Sovereign.\*

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund’s investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Fee Structure
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** 0.80% Sales charge# 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee** 0.40% Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee N/A Sales charge# 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** 1.35% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.80% Sales charge# 5%

Share Class	Available Currency	Distribution policy	Listing	Fee Structure
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.65% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**



## **LOCAL CURRENCY**

### **2.4 ASHMORE SICAV LOCAL CURRENCY FUND**

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities (Sovereign, Sovereign guaranteed and public sector and private sector corporate) denominated in Emerging Market local currencies and from financial derivative instruments, as described further below, also including investing in Emerging Market transferable debt securities denominated in US Dollars, Euros, Swiss Francs and other major currencies. The Sub-Fund normally seeks to maintain a weighted average portfolio duration of between 0 and 3 years.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 30% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

### Typical Investor's Profile

The typical investor of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market transferable debt securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market transferable debt securities. The investor should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Fee Structure
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** 1.00% Sales charge# 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee** 0.40% Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee N/A Sales charge# 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** 1.50% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 1.00% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.80% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, BRL, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.5 ASHMORE SICAV EMERGING MARKETS LOCAL CURRENCY BOND FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies.

## Investment Objective and Policies

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Sovereign Transferable Securities which are debt in nature and other instruments issued by Sovereigns and Quasi-Sovereigns denominated in local currencies, including also investing in financial derivative instruments and related synthetic structures or products.

Any investments in securities traded on the China Securities Markets will be made through the R-QFII scheme, subject to applicable quota allocation rules and approvals<sup>1</sup>.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

More particularly the Sub-Fund shall not invest in equities and equity related instruments. If the Sub-Fund holds equities and equity related instruments issued to the Sub-Fund as a result of any conversion, exchange or similar corporate action in relation to Transferable Securities in which the Sub-Fund has invested pursuant to its investment objective and policies, the Sub-Fund will use its reasonable endeavours to dispose of any such equities or equity related instruments within 6 months of the Sub-Fund being registered as the holder of such instruments.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset. The Sub-Fund may not invest more than 5% of its net asset value in credit linked notes.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

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<sup>1</sup> Applicable as of 10 June 2016

Derivative or synthetic transactions as set out in section 7, such as, but not limited to total return swaps and credit linked notes, may also be used to purchase investments for the Sub-Fund provided that total return swaps and credit linked notes are fully funded or fully covered with cash.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. The total value of the underlying gross notional of credit default swaps may not exceed 20% of the net asset value of the Sub-Fund.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

At least 70% of the securities held by the Sub-Fund must be rated by an internationally recognised rating agency, provided that if the security is not rated at the time of acquisition the rating of the relevant issuer or the Sovereign shall apply.

The Sub-Fund may not invest more than 30% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

The Sub-Fund shall not invest in Transferable Securities of any issuers other than Sovereigns and Quasi-Sovereigns. This restriction is not applicable to shares of UCITS or UCIs.

### **R-QFII Regime**

The investment and trading in Chinese domestic securities markets requires the Investment Manager to be granted an R-QFII licence, subject to certain investment quota corresponding to the total USD equivalent of RMB denominated China Securities Markets financial instruments which the Investment Manager may be allowed to purchase for the account of the Sub-Fund, as approved under and subject to applicable Chinese regulatory requirements. The Investment Manager has obtained an R-QFII license and, subject to SAFE's and PBOC's approvals, may allocate R-QFII investment quotas to the Sub-Fund so the Sub-Fund can invest in China Securities Markets.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- “**China Securities Markets**” includes the China inter-bank bonds market and/or the China exchange traded bond market on the Shanghai or Shenzhen stock exchanges and such other financial instruments approved for the purposes of the R-QFII scheme by the CSRC from time to time which may or may not be listed on the Shanghai or Shenzhen Stock Exchanges;\*
- “**Index**” means the JP Morgan Government Bond Index Emerging Markets Global Diversified or an equivalent index as determined by the Investment Manager;\* and
- “**Quasi-Sovereign**” means an entity 100% guaranteed by a Sovereign or an entity in the Index that is not a Sovereign. \*

\* Shareholders requiring additional information can contact the Investment Manager

### Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund’s investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Fee Structure
Institutional	USD, EUR, EUR (unhedged), GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee** 0.95% Sales charge# 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee** 0.40% Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee N/A Sales charge# 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee** 1.50% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** 0.95% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** 0.75% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.



Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro (with the exception of EUR unhedged), GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged, CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.6 ASHMORE SICAV EMERGING MARKETS INVESTMENT GRADE LOCAL CURRENCY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from investment grade Emerging Market transferable debt securities and other instruments issued by Sovereigns

and Quasi-Sovereigns denominated in Emerging Market local currencies, and, within the limits set forth under section 6 "Investment Restrictions", in financial derivative instruments and related synthetic structures or products, such as those described below provided that such securities or instruments, and in the case of currencies, the Sovereign issuer, is investment grade. It may also invest in Emerging Market transferable debt securities denominated in US Dollars, Euros, Swiss Francs and other major currencies.

All the Transferable Securities must be rated investment grade by Standard & Poor's or equivalent rating from Moody's or Fitch. Investment grade means with a rating of BBB- or above from Standard & Poor's or equivalent rating from Moody's or Fitch, provided that in the case of securities, if the security is not rated at the time of acquisition, the rating of the relevant issuer or the Sovereign shall apply. If a security or, in the case of currencies, the Sovereign issuer, is rated by two or more rating agencies, the highest rating will apply. If a security or, in the case of currencies, the Sovereign issuer, is downgraded after the date of acquisition by the Sub-Fund then the Investment Manager has discretion as to whether to hold the security or currency.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(I) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.



The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure.

Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund shall not invest in Transferable Securities of any issuers other than Sovereigns and Quasi-Sovereigns. This restriction is not applicable to shares of UCITS or UCIs.

The Sub-Fund may not invest more than 35% of its net assets in investments in a single Emerging Market.

The Sub-Fund may not invest more than 30% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

## **Definitions**

The following definition relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Quasi-Sovereign"** means an entity 100% guaranteed by a Sovereign or an entity in the JP Morgan Government Bond-Index Investment Grade Emerging Markets Global Diversified or equivalent that is not a Sovereign.\*

*\* Shareholders requiring additional information can contact the Investment Manager*

## **Typical Investor's Profile**

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	0.90%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.50%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.90%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.70%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital**

markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.

## **2.7 ASHMORE SICAV EMERGING MARKETS LOCAL CURRENCY BONDS (BROAD) FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities and other instruments issued by Sovereigns, Quasi-Sovereigns and public and private sector Corporates denominated in Emerging Market local currencies, US Dollars or other G7 currencies including also investing in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and repurchase agreement transactions, interest rate swaps, inflation linked swaps, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

#### **Additional Investment Restrictions**

In addition to the limits set forth under section 6 "Investment Restrictions", the Sub-Fund will observe the following investment restrictions:

1. The Sub-Fund shall invest not more than 25% of its net assets in a single Emerging Market;
2. The Sub-Fund may not invest more than 30% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

#### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*
- **"Quasi-Sovereign"** means an entity 100% guaranteed by a Sovereign or an entity in the index JP Morgan Government Bond Index Emerging Markets Global Diversified or equivalent that is not a Sovereign. \*

*\* Shareholders requiring additional information can contact the Investment Manager*

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	0.95%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.50%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.95%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.75%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.8 ASHMORE SICAV TURKISH DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars, Turkish Lira and other major currencies. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Turkish debt and to a lesser extent, in other Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

The Sub-Fund will be targeting the relatively high returns currently available from Turkish debt instruments, mostly Sovereign and to a lesser extent Corporate. It may also take advantage of similar opportunities in other Emerging Markets in the region on an opportunistic basis subject to the investment restrictions below.

More particularly, the Sub-Fund will mainly seek to access the returns available from Turkish Transferable Securities which are debt in nature and other instruments issued by Sovereigns, Quasi-Sovereigns and Corporates denominated principally in Turkish Lira, as well as US Dollars and other major currencies, including also investing, within the limits set forth under section 6 “Investment Restrictions”, in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund intends to invest in transferable debt securities traded locally on the Istanbul Stock Exchange or settled offshore. The Sub-Fund may also pursue other opportunities including, but not limited to, investing in Turkish listed equity, either directly or through participations and other instruments.



The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including non-listed equity, equity private placements and other instruments.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market/Turkish issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, interest rate swaps, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market/Turkish bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

### **Additional Investment Restrictions**

In addition to the limits set forth under Section 6 "Investment Restrictions", the Sub-Fund will observe the following investment restrictions:

1. not more than 25% of the net asset value of the Sub-Fund will be invested in investments denominated in currencies other than US Dollars, Euro or Turkish Lira;
2. not more than 25% of the net asset value of the Sub-Fund will be invested in investments originated by or made to Corporate (excluding Sovereign, Quasi-Sovereign or Sovereign-guaranteed entities);
3. not more than 20% of the net asset value of the Sub-Fund will be invested in any one Turkish Lira denominated debt issue;
4. not more than 25% of the net asset value of the Sub-Fund may be exposed to non Turkish debt;
5. not more than 5% of the Sub-Fund will consist of equity securities or similar instruments, and such equity securities or similar instruments must be equity linked to a debt investment to be made by the Sub-Fund;
6. Margins associated with exchange derivative and futures transactions and premium associated with over-the-counter option transaction and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

Up to 100% of the net asset value of the Sub-Fund may be invested in Transferable Securities issued or guaranteed by Sovereign and none of the above restrictions (apart from paragraphs 1. and 4.) shall apply to such securities.

The investment restriction applying at paragraph 6. above shall not apply to money market funds or other similar UCIs (including where managed by the Investment Manager or by any Ashmore associate) in which the Sub-Fund might make shorter term or temporary investments for the purposes of efficient cash management.

## **Management**

The Investment Manager has retained Ashmore Portföy Yönetimi Anonim Sirketi to act as Sub-Manager of the Sub-Fund.

## **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **“Corporate”** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets.\*
- **“Quasi-Sovereign”** means an entity 100% guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign.\*

\* Shareholders requiring additional information can contact the Investment Manager



## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Turkish Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, TRY, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.95% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, TRY, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, TRY, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.75% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.95% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.75% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, TRY, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net

asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **BLENDED DEBT**

### **2.9 ASHMORE SICAV EMERGING MARKETS ABSOLUTE RETURN DEBT FUND**

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies and in US dollars.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to maximize absolute return, through income and/or capital appreciation, by investing mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market Transferable Securities which are debt in nature and other instruments issued by Sovereigns, Quasi-Sovereigns and Corporates denominated in local currencies, as well as US Dollars and other major currencies, including also investing, within the limits set forth under section 6 "Investment Restrictions", in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, interest rate swaps, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 35% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 30% (in aggregate) of its net assets in Corporates.

Margins associated with exchange derivative and futures transactions and premium associated with over-the-counter option transaction and payable for such transactions shall not exceed 10 % of the Sub-Fund's net assets.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets.\*
- **"Quasi-Sovereign"** means an entity 100% guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign.\*

*\* Shareholders requiring additional information can contact the Investment Manager*

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile

products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee**	1.00%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Institutional IV	USD, EUR, GBP, CHF	Accumulation	N/A	Management Fee	0.65%
				Sales charge#	5%
				Performance Fee###	10%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee**	1.50%
				Sales charge#	5%
Retail II	USD, EUR, GBP, CHF	Accumulation	N/A	Management Fee**	1.25%
				Sales charge#	5%
				Performance Fee###	10%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	1.00%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	0.65%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

### please refer to section 12 (Fees and Expenses) for further information.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Performance Fee**

If the Institutional IV Shares or Retail II Shares achieve a return over a Performance Period in excess of the 3 month USD Libor (Bloomberg ticker: US3MLIBOQR), with a rate change observed at the end of each calendar quarter (the “**Hurdle Rate**”), the Investment Manager shall also be entitled to a Performance Fee equivalent to 10% of such excess in accordance with “Type B – Performance Fee methodology” as described in more detail at “Fees and Expenses” section below. The Hurdle Rate will not be less than zero. The Institutional, Institutional II, Institutional III, Retail, Z and Z 2 Shares will not charge a Performance Fee.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.10 ASHMORE SICAV EMERGING MARKETS TOTAL RETURN FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund’s assets will be denominated in Emerging Market local currencies and in US dollars.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market Transferable Securities which are debt in nature and other instruments issued by Sovereigns, Quasi-Sovereigns and Corporates denominated in local currencies, as well as US Dollars and other major currencies, including also investing, within the limits set forth under section 6 “Investment Restrictions”, in financial derivative instruments and related synthetic structures or products, such as those described below.

Any investments in securities traded on the China Securities Markets will be made through the R-QFII scheme, subject to applicable quota allocation rules and approvals<sup>2</sup>.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, interest rate swaps, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

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<sup>2</sup> Applicable as of 10 June 2016



In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 25% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 35% (in aggregate) of its net assets in Corporates.

Margins associated with exchange derivative and futures transactions and premium associated with over-the-counter option transaction and payable for such transactions shall not exceed 10 % of the Sub-Fund's net assets.

### **Portfolio Information Disclosure<sup>3</sup>**

A list of the Sub-Fund's portfolio holdings as of the end of each week will be made available on <http://www.source.info> within three weeks of such week end, and as required by the Relevant Stock Exchanges. Where applicable, the Indicative NAV per Share (as defined in section 10.2 of this Prospectus) will be made available at the registered office of the Fund, and will be obtainable through the Relevant Stock Exchanges.

### **R-QFII Regime**

The investment and trading in Chinese domestic securities markets requires the Investment Manager to be granted an R-QFII licence, subject to certain investment quota corresponding to the total USD equivalent of RMB denominated China Securities Markets financial instruments which the Investment Manager may be allowed to purchase for the account of the Sub-Fund, as approved under and subject to applicable Chinese regulatory requirements. The Investment Manager has obtained an R-QFII license and, subject to SAFE's and PBOC's approvals, may allocate R-QFII investment quotas to the Sub-Fund so the Sub-Fund can invest in China Securities Markets.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"China Securities Markets"** includes the China inter-bank bonds market and/or the China exchange traded bond market on the Shanghai or Shenzhen stock exchanges and such other financial instruments approved for the purposes of the R-QFII scheme by the CSRC from time to time which may or may not be listed on the Shanghai or Shenzhen Stock Exchanges;\*
- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*

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<sup>3</sup> Will apply from the date of issuance of the first Ashmore Source UCITS ETF Share onwards

- **“Quasi-Sovereign”** means an entity 100% guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign. \*

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor’s Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund’s investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee**	1.10%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee**	1.75%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	1.10%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	0.90%
				Sales charge#	5%
Ashmore Source UCITS ETF Shares	USD	Accumulation	Relevant Stock Exchanges##	Management Fee**	1.10%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds. This Sub-Fund issues exchange-traded and non-exchange traded Shares as well as actively-managed exchange traded Shares denominated as “Ashmore Source UCITS ETF Shares”. For further information about the listing of Shares and the Secondary Market for the Ashmore Source UCITS ETF Shares, please refer to section 10. of the Prospectus.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

## A list of the Relevant Stock Exchanges where the Ashmore Source UCITS ETF Shares can be bought and sold can be obtained from the registered office of the Fund as well as on <http://www.source.info>.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US

Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.11 ASHMORE SICAV EMERGING MARKETS INVESTMENT GRADE TOTAL RETURN FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies and in US dollars.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Investment Grade Emerging Market Transferable Securities which are debt in nature and other instruments issued by Sovereigns, Quasi-Sovereigns and Corporates denominated in local currencies, as well as US Dollars and other major currencies, including also investing, within the limits set forth under section 6 “Investment Restrictions”, in financial derivative instruments and related synthetic structures or products, such as those described below provided that such securities or instruments, and in the case of currencies, the Sovereign issuer, is investment grade.

All the Transferable Securities must be rated investment grade by Standard & Poor's or equivalent rating from Moody's or Fitch. Investment grade means with a rating of BBB- or above from Standard & Poor's or equivalent rating from Moody's or Fitch, provided that in the case of securities, if the security is not rated at the time of acquisition, the rating of the relevant issuer or the Sovereign shall apply. If a security or, in the case of currencies, the Sovereign issuer, is rated by two or more rating agencies, the highest rating will apply. If a security or, in the case of currencies, the Sovereign issuer, is downgraded after the date of acquisition by the Sub-Fund then the Investment Manager has discretion as to whether to hold the security or currency.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, interest rate swaps, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap

counterparty is a credit institution of the type set forth under section 6 “Investment Restrictions” which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more the 25% of its net assets in investments denominated in a single currency other than US Dollars (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 35% (in aggregate) of its net assets in Corporates.

Margins associated with exchange derivative and futures transactions and premium associated with over-the-counter option transaction and payable for such transactions shall not exceed 10 % of the Sub-Fund’s net assets.

## Definitions

- **“Corporate”** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*
- **“Quasi-Sovereign”** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign. \*

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor’s Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund’s investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.85% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL,	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.40% 5%

Share Class	Available Currency	Distribution policy	Listing	Management Fee
	SGD			
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.85% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 0.70% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**



## **2.12 ASHMORE SICAV EMERGING MARKETS SHORT DURATION FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from short term Emerging Market Transferable Securities which are debt in nature and other instruments issued by Sovereigns, Quasi-Sovereigns and Corporates denominated exclusively in US Dollars and Hard Currency, including also investing, within the limits set forth under section 6 "Investment Restrictions", in financial derivative instruments and related synthetic structures or products, such as those described below. The Sub-Fund normally seeks to maintain a weighted average portfolio duration of between 1 and 3 years.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS and / or UCIs denominated in US\$ or other currencies.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions", also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, interest rate swaps, total return swaps and credit default swaps. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.



The Sub-Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

### **Additional Investment Restrictions**

In addition to the limits set forth under section 6 "Investment Restrictions", the Sub-Fund will observe the following investment restriction:

1. No borrowing is permitted;
2. Margins associated with exchange derivative and futures transactions and premium associated with over-the-counter option transaction and payable for such transactions shall not exceed 10 % of the Sub-Fund's net assets;
3. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net asset value of the Sub-Fund;
4. The Sub-Fund may not invest more than 35% of its net assets in investments in a single Emerging Market;
5. The Sub-Fund may not invest in investments denominated in any currencies other than Hard Currencies.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- "**Corporate**" means any entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets\*.
- "**Quasi-Sovereign**" means any entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*.
- "**Hard Currency(ies)**" means any lawful currency of a G7 country\*.

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.65% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	1.30% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	0.65% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	0.55% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of the JPY unhedged), AUD, CAD, SGD and MXN will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **CORPORATE DEBT**

### **2.13 ASHMORE SICAV EMERGING MARKETS CORPORATE DEBT FUND**

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities and other instruments, with a particular focus on the public sector and private sector corporates, denominated in US Dollars and other major currencies as well as local currencies, including also investing in financial derivative instruments and related synthetic structures or products.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 50% of its net assets in investments denominated in currencies other than US Dollars or other G7 currencies (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

#### **Portfolio Information Disclosure<sup>4</sup>**

A list of the Sub-Fund's portfolio holdings as of the end of each week will be made available on <http://www.source.info> within three weeks of such week end, and as required by the Relevant Stock Exchanges. Where applicable, the Indicative NAV per Share (as defined in section 10.2 of this Prospectus) will be made available at the registered office of the Fund, and will be obtainable through the Relevant Stock Exchanges.

#### **Typical Investor's Profile**

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

#### **Characteristics of the Classes of Shares Available in the Sub-Fund\***

<b>Share Class</b>	<b>Available Currency</b>	<b>Distribution policy</b>	<b>Listing</b>	<b>Management Fee</b>	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee**	1.15%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%

<sup>4</sup> Will apply from the date of issuance of the first Ashmore Source UCITS ETF Share onwards

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	1.75% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	1.15% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	0.95% 5%
Ashmore Source UCITS ETF Shares	USD	Accumulation	Relevant Stock Exchanges#	Management Fee** Sales charge#	1.15% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds. This Sub-Fund issues exchange-traded and non-exchange traded Shares as well as actively-managed exchange traded Shares denominated as "Ashmore Source UCITS ETF Shares". For further information about the listing of Shares and the Secondary Market for the Ashmore Source UCITS ETF Shares, please refer to section 10. of the Prospectus.

\*\* calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

### A list of the Relevant Stock Exchanges where the Ashmore Source UCITS ETF Shares can be bought and sold can be obtained from the registered office of the Fund as well as on <http://www.source.info>.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in "Risk Factors" below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions**

differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.

## **2.14 ASHMORE SICAV EMERGING MARKETS INVESTMENT GRADE CORPORATE DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from investment grade Emerging Market transferable debt securities and other instruments, with a particular focus on investment grade public sector and private sector corporate, denominated in US Dollars and other major currencies as well as local currencies, including also investing in financial derivative instruments and related synthetic structures or products, provided that such securities or instruments, and in the case of currencies, the Sovereign issuer, is investment grade.

All the Transferable Securities must be rated investment grade by Standard & Poor's or equivalent rating from Moody's or Fitch. Investment grade means with a rating of BBB- or above from Standard & Poor's or equivalent rating from Moody's or Fitch, provided that in the case of securities, if the security is not rated at the time of acquisition, the rating of the relevant issuer or the Sovereign shall apply. If a security or, in the case of currencies, the Sovereign issuer, is rated by two or more rating agencies, the highest rating will apply. If a security or, in the case of currencies, the Sovereign issuer, is downgraded after the date of acquisition by the Sub-Fund then the Investment Manager has discretion as to whether to hold the security or currency.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and



engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 50% of its net assets in investments denominated in currencies other than US Dollars or other G7 currencies (unless over such amount, such investments are hedged into US Dollars).

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

### Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** 1.10% Sales charge# 5%

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.65%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.10%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.90%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.15 ASHMORE SICAV EMERGING MARKETS HIGH YIELD CORPORATE DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market high-yielding transferable debt securities and other high-yield instruments, with a particular focus on the public sector and private sector Corporates denominated in US Dollars and other major currencies as well as local currencies, including also investing, within the limits set forth under section 6 "Investment Restrictions", in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

### **Additional Investment Restrictions**

In addition to the limits set forth under Section 6 "Investment Restrictions", the Sub-Fund will observe the following investment restrictions:

1. The Sub-Fund may not invest more than 50% of its net assets in investments denominated in currencies other than US Dollars or other G7 currencies (unless over such amount, such investments are hedged into US Dollars);
2. The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Corporate"** means any entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*
- **"Quasi-Sovereign"** means any entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign. \*

*\* Shareholders requiring additional information can contact the Investment Manager*

### **Typical Investor's Profile**

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee**	1.15%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee**	1.75%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	1.15%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee**	0.95%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\* calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Any Shareholder in the Sub-Fund may apply by fax, by telephone or in writing to the Management Company or to one of the Sales Agents for redemption of his/her Shares in part or in whole on any Business Day in accordance with the provisions of section 10 of this Prospectus. Shareholders whose applications for redemption are accepted will have their Shares redeemed on the basis of the net asset value per Share of the relevant Class determined on a given Valuation Day, provided that the application is received by the Management Company or the relevant Sales Agent not later than 13:00 CET, ten Business Days prior to the relevant Valuation Day. Applications received after that cut off time will be processed on the next following Valuation Day.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.16 ASHMORE SICAV EMERGING MARKETS LOCAL CURRENCY CORPORATE DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in Emerging Market local currencies.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities and other instruments, with a particular focus on the public sector and private sector Corporates, denominated in local currencies, including also investing, within the limits set forth under section 6 “Investment Restrictions”, in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 “Investment Restrictions” also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.



The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 25% of its net assets in investments in a single Emerging Market.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Corporate"** means any entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*
- **"Quasi-Sovereign"** means any entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign. \*

*\* Shareholders requiring additional information can contact the Investment Manager*

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also



be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	1.35%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.95%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.35%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.10%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of

Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.17 ASHMORE SICAV EMERGING MARKETS ASIAN CORPORATE DEBT FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund’s assets will be denominated in US Dollars and Emerging Market local currencies.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities and financial derivative instruments within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Emerging Market transferable debt securities and other instruments, with a particular focus on Asian public sector and private sector Corporates, denominated in local currencies and hard currencies, including investing, within the limits set forth under section 6 “Investment Restrictions”, in financial derivative instruments and related synthetic structures or products, such as those described below.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 “Investment Restrictions” also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may acquire credit-linked notes and loan participations in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase

agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Sub-Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Sub-Fund must be referenced to Emerging Market bonds or other forms of debt.

The Sub-Fund will only enter into credit default swaps where the Investment Manager believes at the time of the transaction that it is in the Sub-Fund's interest and where the credit default swap counterparty is a credit institution of the type set forth under section 6 "Investment Restrictions" which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Sub-Fund may not invest more than 35% of its net assets in investments in a single Emerging Market.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Corporate"** means any entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets. \*
- **"Quasi-Sovereign"** means any entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign. \*

*\* Shareholders requiring additional information can contact the Investment Manager*

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.05% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Monthly Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	1.75% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	1.05% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Monthly Distribution	N/A	Management Fee** Sales charge#	0.85% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\* calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or**

**financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## EQUITY

### 2.18 ASHMORE SICAV EMERGING MARKETS GROWTH FUND

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity related instruments issued by Emerging Markets Companies, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, as well as from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes).

The Sub-Fund may also invest up to 20% of its net assets in Developed Markets Companies. The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards), currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Sub-Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net asset.

The Sub-Fund will not invest in companies that are not Emerging Markets Companies or Developed Markets Companies.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **“Developed Market Company”** means an entity that is not a Sovereign or an Emerging Markets Company but (a) which will derive 20% or more of its revenues, profits or historic growth (based on revenue or profits) from goods produced or sold, investments made, or services performed in one or more Emerging Markets or (b) that has at least 20% of its assets in one or more Emerging Markets regardless of where the company has its listing, domicile or headquarters, and including companies that are in the process of being privatized by a Sovereign or that is more than 50% directly or indirectly owned by a Sovereign or (c) where the Investment Manager projects\*\* future growth of 20% or more (based on projected revenue or profits) from one or more Emerging Markets.\*
- **“Emerging Markets Company”** means an entity that is not a Sovereign but is either domiciled in, or derives at least 50% of its revenues, profits or historic growth (based on revenue or profits) from goods produced or sold, investments made, or services performed in one or more Emerging Markets or that has at least 50% of its assets in one or more Emerging Markets regardless of where the company has its listing, domicile or headquarters, and including companies that are in the process of being privatized by a Sovereign or that are more than 50% directly or indirectly owned by a Sovereign.\*
- **“Developed Market”** means any country that is not an Emerging Market.\*

*\* Shareholders requiring additional information can contact the Investment Manager*

*\*\* The projection is based on the Investment Manager's own analysis*

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.



## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	1.00%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Institutional IV	USD, EUR, GBP, CHF	Accumulation	N/A	Management Fee	0.80%
				Sales charge#	5%
				Performance Fee###	20%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.75%
				Sales charge#	5%
Retail II	USD, EUR, GBP, CHF	Accumulation	N/A	Management Fee**	1.55%
				Sales charge#	5%
				Performance Fee###	20%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.00%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	0.80%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

### please refer to section 12 (fees and Expenses) for further information.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### Performance Fee

If the Institutional IV Shares or Retail II Shares achieve a return over a Performance Period in excess of the MSCI Emerging Markets (Net Return) Index (Bloomberg ticker: NDUEEGF Index) (the “**Benchmark**”), the Investment Manager shall also be entitled to a Performance Fee equivalent to 20% of such excess in accordance with “Type A – Performance Fee methodology” as

described in more detail at “Fees and Expenses” section below. The Institutional, Institutional II, Institutional III, Retail, Z and Z 2 Shares will not charge a Performance Fee.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors”. As a general risk consideration, the investments within each Sub-Fund are subject to the risk that the net asset value per Share of each Sub-Fund will fluctuate in response to changes in economic conditions, interest rates, and the market's perception of the securities held by the Sub-Funds and accordingly, no assurance can be given that the investment objectives will be achieved.**

## **2.19 ASHMORE SICAV EMERGING MARKETS VALUE FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity related instruments issued by Corporates and Quasi-Sovereigns located in Emerging Markets, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, as well as from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Emerging Market country or region, including, but not limited to exchange-traded funds (“ETFs”). The Sub-Fund's investments may include securities of Corporates and Quasi-Sovereigns that are in the process of being privatized by a government.

The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 “Investment Restrictions” also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article

41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards), currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Sub-Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

For the purposes of determining the Sub-Fund's global exposure relating to financial derivative instruments pursuant to section 6(l) of the Prospectus, cash amounts comprised within the Sub-Fund's net asset value shall be used to offset and therefore reduce such exposure.

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net asset.

## **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

## **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Quasi-Sovereign"** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*; and
- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more Emerging Markets or that has at least 50% of its assets in one or more Emerging Markets\*.

*\* Shareholders requiring additional information can contact the Investment Manager*

## **Typical Investor's Profile**

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors

who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold "plan assets" (as defined and discussed in further detail in sub-section "ERISA and Other Employee Benefit Plan Considerations" of section 3.2 "This Prospectus").

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.15% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.65% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.15% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.95% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.20 ASHMORE SICAV EMERGING MARKETS GLOBAL SMALL-CAP EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Small-Cap Corporates and Quasi-Sovereigns located in Emerging Markets, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Emerging Market country or region, including, but not limited to, exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of Corporates and Quasi-Sovereigns that are in the process of being privatized by a government. Although the Sub-Fund focuses on Small-Cap instruments, it reserves the flexibility to invest a portion of its assets in securities of Corporates and Quasi-Sovereigns that are not Small-Cap subject to the restrictions herein.

The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies.

Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund. The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards) , currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

#### **Additional Investment Restrictions**

Equities and equity-related instruments issued by Corporates that are not Small-Cap may not exceed 20% of the Sub-Fund's net assets.

#### **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

#### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Quasi-Sovereign"** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*;
- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more Emerging Markets or that has at least 50% of its assets in one or more Emerging Markets\*; and
- **"Small-Cap"** means entities with a market capitalisation of \$2 billion or less at the point of initial investment and \$3 billion or less at the time of subsequent investments (or equivalent in the relevant local currency at the point of initial investment). In addition, entities that are not Small Cap at the point of initial investment (i.e., entities with a market capitalisation of greater than \$2 billion at the point of initial investment) will be re-classified as Small Cap if



at the time of subsequent investments such entities have a market capitalisation of \$2 billion or less\*.

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold "plan assets" (as defined and discussed in further detail in sub-section "ERISA and Other Employee Benefit Plan Considerations" of section 3.2 "This Prospectus").

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	1.50%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.95%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.50%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.20%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with



respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.21 ASHMORE SICAV EMERGING MARKETS FRONTIER EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$) and it is anticipated that many of the Sub-Fund's assets will be denominated in US Dollars. However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Corporates and Quasi-Sovereigns located in Frontier Emerging Markets, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g., participation notes). The Sub-Fund may also seek to access the returns available

from securities of other investment companies and including exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of Corporates and Quasi-Sovereigns that are in the process of being privatized by a government.

The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including instruments of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards), currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

### **Additional Investment Restrictions**

Equities and equity-related instruments issued by Corporates that are Corporates outside of Frontier Emerging Markets may not exceed 20% of the Sub-Fund's net assets.

### **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Frontier Emerging Market"** means any country included in the MSCI Frontier Markets Index and any other country which the Sub-Manager may determine qualifies or no longer qualifies, as the case may be, as a Frontier Emerging Market.\*

- **“Corporate”** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more Frontier Emerging Markets or that has at least 50% of its assets in one or more Frontier Emerging Markets\*;
- **“Quasi-Sovereign”** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*; and
- **“Sovereign”** means any country which is a Frontier Emerging Market.

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Emerging Market Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Emerging Market Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold “plan assets” (as defined and discussed in further detail in sub-section “ERISA and Other Employee Benefit Plan Considerations” of section 3.2 “This Prospectus”).

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.50% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.95% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.50% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.20% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Frontier Emerging Markets. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.22 ASHMORE SICAV TURKISH EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$). However, the currency of investments may not be the reference currency and it is anticipated that many of the Sub-Fund's assets will be denominated in Turkish Lira (TRY).

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from Turkish equities and equity related investments issued by Corporates and Quasi-Sovereigns, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, as well as from synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Emerging Market country or region, including, but not limited to exchange-traded funds ("ETFs"). The Sub-Fund's investments may include securities of Corporates and Quasi-Sovereigns that are in the process of being privatized by a government.

The Sub-Fund may, on an ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 in the Prospectus "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010. The Sub-Fund may acquire credit-linked notes and loan participations in respect of Turkish issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments" in the Prospectus, invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 of the Prospectus "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to equity securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Emerging Market transferable equity securities or instruments or a basket of such securities or instruments.

### **Additional Investment Restrictions**

In addition to the limits set forth under Section 6 "Investment Restrictions", the Sub-Fund will observe the following investment restrictions:

1. No more than 25% of the net asset value of the Sub-Fund will be invested in non-Turkish equity being equity of a company which is listed on a stock exchange of an Emerging Market other than Turkey;
2. No more than 10% of the net asset value of the Sub-Fund will be invested in non-equity securities.

## Management

The Investment Manager has retained Ashmore Portföy Yönetimi Anonim Sirketi to act as Sub-Manager of the Sub-Fund.

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Turkish Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Turkish Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, TRY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.10% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, TRY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, TRY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.80% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.10% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	0.90% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, TRY, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in



the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets and notably in Turkey. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.23 ASHMORE SICAV LATIN AMERICAN SMALL-CAP EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$). However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Small-Cap Corporates and Quasi-Sovereigns located in Latin America, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Latin American country or region, including, but not limited to, exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of Latin American Corporates and Quasi-Sovereigns that are in the process of being privatized by a



government. Although the Sub-Fund focuses on Small-Cap instruments, it reserves the flexibility to invest a portion of its assets in securities of Corporates and Quasi-Sovereigns that are not Small-Cap subject to the restrictions herein.

The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards), currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

### **Additional Investment Restrictions**

Equities and equity-related instruments issued by Corporates that are not Small-Cap may not exceed 20% of the Sub-Fund's net assets.

### **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"Latin America"** means Mexico and any country located in South America, Central America and the Caribbean\*; and
- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold,

investments made, or services performed in one or more Latin American markets or that has at least 50% of its assets in one or more Latin American markets\*;

- **“Small-Cap”** means entities with a market capitalisation of \$2 billion or less at the point of initial investment and \$3 billion or less at the time of subsequent investments (or equivalent in the relevant local currency at the point of initial investment). In addition, entities that are not Small Cap at the point of initial investment (i.e., entities with a market capitalisation of greater than \$2 billion at the point of initial investment) will be re-classified as Small Cap if at the time of subsequent investments such entities have a market capitalisation of \$2 billion or less\*;
- **“Quasi-Sovereign”** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*; and
- **“Sovereign”** means any country in Latin America (as defined above).

\* Shareholders requiring additional information can contact the Investment Manager

### Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include equities and equity-related instruments issued by Small-Cap Latin American Corporates and Quasi-Sovereigns. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Latin American securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold “plan assets” (as defined and discussed in further detail in sub-section “ERISA and Other Employee Benefit Plan Considerations” of section 3.2 “This Prospectus”).

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.50% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution		Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.95% 5%

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.50%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.20%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

## Risk Factors

The Sub-Fund is subject to the risk of investing in Emerging Markets and notably in Latin America. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.24 ASHMORE SICAV MIDDLE EAST EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$). However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Corporates and Quasi-Sovereigns located in the Middle East, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Middle Eastern Market country or region, including, but not limited to, exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of Corporates and Quasi-Sovereigns that are in the process of being privatized by a government.

The Sub-Fund may, on ancillary basis, hold cash and invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 in the Prospectus "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments" in the Prospectus, invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, total return swaps and credit default swaps and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. Some of these financial derivative instruments are more fully described under section 7 of the Prospectus "Special Investment Techniques and Instruments".

The Sub-Fund typically uses total return swaps in order to gain exposure to equity securities if the use of total return swaps is more efficient or otherwise advantageous to the Sub-Fund. Any total return swaps entered into by the Sub-Fund must be referenced to Middle Eastern transferable equity securities or instruments or a basket of such securities or instruments.

## Management

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

## Definitions

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **“Middle East”** means any country or territory located in the Middle East excluding Israel;\*
- **“Corporate”** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more Middle Eastern markets or that has at least 50% of its assets in one or more Middle Eastern markets\*; and
- **“Quasi-Sovereign”** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*; and
- **“Sovereign”** means any country in Middle East (as defined above)\*.

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include Middle Eastern Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Middle Eastern Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold “plan assets” (as defined and discussed in further detail in sub-section “ERISA and Other Employee Benefit Plan Considerations” of section 3.2 “This Prospectus”).

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.50% 5%
Institutional II	JPY,	Accumulation or	Luxembourg	Management Fee**	0.40%

Share Class	Available Currency	Distribution policy*	Listing	Management Fee
	JPY(unhedged)	Annual Distribution	Stock Exchange	Sales charge# 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee N/A Sales charge# 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** 1.95% Sales charge# 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 1.50% Sales charge# 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** 1.20% Sales charge# 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Any Shareholder in the Sub-Fund may apply by fax, by telephone or in writing to the Management Company or to one of the Sales Agents for redemption of his/her Shares in part or in whole on any Business Day in accordance with the provisions of section 10 of this Prospectus. Shareholders whose applications for redemption are accepted will have their Shares redeemed on the basis of the net asset value per Share of the relevant Class determined on a given Valuation Day, provided that the application is received by the Management Company or the relevant Sales Agent not later than 13:00 CET, ten Business Days prior to the relevant Valuation Day. Applications received after that cut off time will be processed on the next following Valuation Day<sup>5</sup>.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of the JPY unhedged class), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

<sup>5</sup> Applicable as of 10 June 2016



## **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets and notably in the Middle East. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

### **2.25 ASHMORE SICAV INDIAN SMALL-CAP EQUITY FUND**

#### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$). However, the currency of investments may not be the reference currency.

#### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Small-Cap Corporates and Quasi-Sovereigns located in India and other South Asian markets, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular South Asian country or region, including, but not limited to, exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of South Asian Corporates and Quasi-Sovereigns that are in the process of being privatized by a government. Although the Sub-Fund focuses on Small-Cap instruments, it reserves the flexibility to invest a portion of its assets in securities of Corporates and Quasi-Sovereigns that are not Small-Cap subject to the restrictions herein.

The Sub-Fund may, on ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.



The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards) , currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

#### **Additional Investment Restrictions**

Equities and equity-related instruments issued by Corporates that are Corporates outside of India may not exceed 20% of the Sub-Fund's net assets.

Equities and equity-related instruments issued by Corporates that are not Small-Cap may not exceed 20% of the Sub-Fund's net assets.

#### **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

#### **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- **"South Asia"** means any country located in and around the Indian Subcontinent, including but not limited to India, Pakistan, Sri Lanka, Bangladesh, Nepal, the Maldives and Bhutan\*;
- **"Quasi-Sovereign"** means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*;
- **"Corporate"** means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more South Asian markets or that has at least 50% of its assets in one or more South Asian markets\*;

- **“Small-Cap”** means entities with a market capitalisation of \$2 billion or less at the point of initial investment and \$3 billion or less at the time of subsequent investments (or equivalent in the relevant local currency at the point of initial investment). In addition, entities that are not Small Cap at the point of initial investment (i.e., entities with a market capitalisation of greater than \$2 billion at the point of initial investment) will be re-classified as Small Cap if at the time of subsequent investments such entities have a market capitalisation of \$2 billion or less\*; and
- **“Sovereign”** means any country in South Asia (as defined above)\*.

\* Shareholders requiring additional information can contact the Investment Manager

## Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include South Asian Transferable Securities. It may also be suitable for more experienced investors wishing to attain a defined investment objective in South Asian Transferable Securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund’s investment objective is long- term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

## Investment by ERISA Benefit Plan Investors

Benefit Plan Investors are permitted to subscribe for Shares in the Sub-Fund without limitation. To the extent that 25% or more of the total value of any Share Class in the Sub-Fund is held by such Benefit Plan Investors, the Sub-Fund may be deemed to hold “plan assets” (as defined and discussed in further detail in sub-section “ERISA and Other Employee Benefit Plan Considerations” of section 3.2 “This Prospectus”).

## Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	1.50% 5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee** Sales charge#	0.40% 5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee Sales charge#	N/A 5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.95% 5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.50% 5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee** Sales charge#	1.20% 5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets and notably in South Asia. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

## **2.26 ASHMORE SICAV LATIN AMERICAN EQUITY FUND**

### **Reference Currency of the Sub-Fund**

The reference currency of the Sub-Fund is US Dollars (US\$). However, the currency of investments may not be the reference currency.

### **Investment Objective and Policies**

The objective of the Sub-Fund is to invest mainly in Transferable Securities within the meaning of Article 41(1) of the Law of 2010.

More particularly, the Sub-Fund will mainly seek to access the returns available from equities and equity-related instruments issued by Corporates and Quasi-Sovereigns located in Latin America, including voting and non-voting common stock, common stock issued to special shareholder classes, preferred stock, and from related synthetic products of all types and denominated in any currency, including depositary receipts, warrants, securities convertible into equity securities, other equity-related investments whose returns vary on the basis of the issuer's profitability (e.g. participation notes). The Sub-Fund will also seek to access the returns available from securities of other investment companies designed to permit investments in a portfolio of equity securities listed in a particular Latin American country or region, including, but not limited to, exchange-traded funds (ETFs). The Sub-Fund's investments may include instruments of Latin American Corporates and Quasi-Sovereigns that are in the process of being privatized by a government.

The Sub-Fund may, on an ancillary basis, invest in Money Market Instruments within the meaning of Article 41(1) of the Law of 2010 including in money market UCITS or UCIs denominated in US\$ or other currencies. Investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may, within the limits set forth under section 6 "Investment Restrictions" also acquire Transferable Securities and Money Market Instruments falling outside the scope of Article 41(1) of the Law of 2010, including securities of companies that are traded in unregulated over-the-counter markets or other types of unlisted securities markets.

The Sub-Fund may also, within the limits set forth under sections 6 "Investment Restrictions" and 7 "Special Investment Techniques and Instruments", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including without limitation, equity derivatives, futures and forward contracts (including currency futures transactions, deliverable and non-deliverable forwards), currency options transactions, enter into forward purchase settlement transactions, securities lending and borrowing and repurchase agreement transactions, structured notes, exchange traded notes, credit linked notes and borrow cash up to 10% of its net assets on a secured or unsecured basis provided that such borrowings are made only on a temporary basis. The Fund may also invest directly in foreign currencies for hedging or other investment purposes. Some of these financial derivative instruments are more fully described under section 7 "Special Investment Techniques and Instruments".

Margin associated with on exchange derivative and futures transactions and premium associated with over-the-counter option transactions and payable for such transactions shall not exceed 10% of the Sub-Fund's net assets.

## **Management**

The Investment Manager has retained Ashmore Equities Investment Management (US) LLC to act as Sub-Manager of the Sub-Fund.

## **Definitions**

The following definitions relate to those capitalised terms which are contained specifically in this Sub-Fund's Appendix:

- “**Latin America**” means Mexico and any country located in South America, Central America and the Caribbean\*; and
- “**Corporate**” means an entity that is not a Sovereign or a Quasi-Sovereign but is either domiciled in, or derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in one or more Latin American markets or that has at least 50% of its assets in one or more Latin American markets\*;
- “**Quasi-Sovereign**” means an entity fully guaranteed by a Sovereign or more than 50% directly or indirectly owned by a Sovereign\*; and
- “**Sovereign**” means any country in Latin America (as defined above).

\* Shareholders requiring additional information can contact the Investment Manager

### Typical Investor's Profile

The typical investors of the Sub-Fund would be Institutional Investors who consider an investment fund as a convenient way of participating in capital market developments and who are looking for a more diversified investment profile to include equities and equity-related instruments issued by Latin American Corporates and Quasi-Sovereigns. It may also be suitable for more experienced investors wishing to attain a defined investment objective in Latin American securities. The investors should have experience with volatile products and must be able to accept significant losses, thus the Sub-Fund is suitable for investors who can afford to set aside capital. The Sub-Fund's investment objective is long-term capital growth and Institutional Investors are the prime target investors. Nevertheless, the Sub-Fund may allow retail investors to invest into the Retail Share Classes.

### Characteristics of the Classes of Shares Available in the Sub-Fund\*

Share Class	Available Currency	Distribution policy*	Listing	Management Fee	
Institutional	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	1.25%
				Sales charge#	5%
Institutional II	JPY, JPY (unhedged)	Accumulation or Annual Distribution	Luxembourg Stock Exchange	Management Fee**	0.40%
				Sales charge#	5%
Institutional III	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee	N/A
				Sales charge#	5%
Retail	USD, EUR, GBP, DKK, NOK, SEK, CHF, AUD, JPY, CAD, MXN, BRL, SGD	Accumulation or Annual Distribution	N/A	Management Fee**	1.75%
				Sales charge#	5%
Z	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.25%
				Sales charge#	5%
Z 2	USD, EUR, GBP, CHF	Accumulation or Annual Distribution	N/A	Management Fee**	1.00%
				Sales charge#	5%

\* please refer to sections 10 (The Shares and Share Dealing), 11 (Dividend Policy) and 12 (Fees and Expenses) for further information which are the same for all Sub-Funds.

\*\*calculated on the basis of the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of such Class. The Management Fee is payable monthly in arrears to the Investment Manager out of the assets of the Sub-Fund.

# this charge is a maximum figure which is payable on the basis of the net asset value per Share – may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent.

Shareholders are exposed to the risk that the net asset value of a Class in one currency can move unfavourably vis-à-vis another Class in another currency.

Shares denominated in each of Euro, GBP, NOK, SEK, DKK, CHF, JPY (with the exception of JPY unhedged), CAD, MXN, SGD and AUD will typically be hedged by the Investment Manager with respect to respective currency movements in relation to the relevant currency against US Dollars. Shares of the BRL Class will be denominated in US\$ but hedged with respect to currency movements in relation to US Dollars against the Real in order to provide Shareholders invested in the BRL Class with returns reflecting the value of the Real against the US Dollar. The Investment Manager may, at its absolute discretion, engage, for the exclusive account and cost of each of the Share Classes in the relevant currency, in currency forward, currency futures, currency option transactions and currency swaps, within the investment restrictions set out in this Prospectus, in order to preserve the current value of the portion in the relevant currency, in whole or in part, of the assets attributable to the relevant Share Class that is invested in securities or assets denominated in currencies other than the relevant currency. However this will not typically produce identical net asset value movements for Classes of Shares denominated in the relevant currency against US Dollars.

### **Risk Factors**

The Sub-Fund is subject to the risk of investing in Emerging Markets and notably in Latin America. The price of the Shares and their income may fall as well as rise. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down. There can be no assurance that the Sub-Fund will achieve its objectives.

**Investors should refer to the information and statements in “Risk Factors” below which describe certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital market structures or to a free market economy means investing in these countries imposes different market risks than investing in developed markets.**

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**3 IMPORTANT INFORMATION**

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**3.1 Ashmore SICAV**

The Fund, with registered office and business address at 6, rue Lou Hemmer, L-1748 Senningerberg, Grand-Duché de Luxembourg, is governed by Part I of the Law of 2010 and qualifies as a UCITS under Article 1(2) of the UCITS Directive, and may therefore be offered for sale pursuant to the UCITS Directive regime in European Economic Area Member States (subject to registration in countries other than Luxembourg). In addition, applications to register the Fund may be made in other countries.

The Directors have designated Northern Trust Luxembourg Management Company S.A. to act as the Management Company of the Fund.

Both the Fund and the Management Company are regulated by the Commission de Surveillance du Secteur Financier ("CSSF").

The registration of the Fund pursuant to Luxembourg law constitutes neither approval nor disapproval by the CSSF as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds of the Fund. Any representations to the contrary are unauthorised and unlawful.

Shares of the Fund may on issue be listed on the Luxembourg Stock Exchange or one or more Relevant Stock Exchanges as described more particularly in each Sub-Fund's Appendix.

**3.2 This Prospectus**

No broker, dealer or other person has been authorised by the Fund or by any of its agents to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Prospectus (and any other document issued or approved by the Fund) and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Fund or any of its agents. Statements made in this Prospectus are based on the law and practice in force at the date hereof and are subject to changes therein. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, imply that there has been no change in the circumstances affecting any of the matters contained in this Prospectus since the date of the document.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession such documents come are required to inform themselves about and to observe such restrictions.

Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii)



the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Before consent to distribute this Prospectus is granted pursuant to the UCITS Directive regime, certain jurisdictions require that it be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail.

Unless stated to the contrary, all references herein to time are to Central European Time.

Investors should note the following jurisdictional statements, which to the best of the Directors' knowledge and belief, were correct as at the date upon which this Prospectus was issued. Prospective investors wishing to clarify such statements should consult their investment advisor.

### ***Canada***

No securities commission or other similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the securities described herein and offered hereby, and any representation to the contrary is an offence. Persons who acquire securities pursuant to the Prospectus will not have the benefit of the review of the Prospectus by any securities commission or similar authority in Canada. The Shares have not been nor will they be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Shares in Canada will be made on a basis which is exempt from the prospectus and, where applicable, dealer requirements of such securities laws.

### ***United States***

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any other state or the securities laws of any other jurisdiction and, accordingly, except as provided herein none of the Shares may be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico (the "United States") or to any US Person (as that term is defined in Regulation S under the 1933 Act). It is contemplated that the Fund may, at the discretion of the Management Company, accept applications for subscription of Shares from a limited number of "accredited investors" (as specified in Regulation D of the 1933 Act) in the United States provided that the Fund receives satisfactory evidence that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the said 1933 Act and, in all events, that there will be no adverse tax consequences to the Fund or its investors as a result of such a sale.

Any person permitted to invest, at the discretion of the Management Company, must complete an Application Form which contains such representations, warranties and declarations as requested by the Management Company.

In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Management Company will not knowingly permit US Persons who do not qualify as "qualified purchasers", within the meaning of the 1940 Act, to acquire Shares.

## ERISA and Other Employee Benefit Plan Considerations

Fiduciaries and managers of employee benefit plans subject to the ERISA, including U.S. private pension plans, certain insurance company accounts, and entities that are deemed to hold “plan assets” with respect to such plans, should have in mind certain considerations under ERISA, including those described below. The U.S. Internal Revenue Code of 1986 (the “Code”) also has certain provisions that apply to such plans as well as to individual retirement accounts (“IRAs”) and so-called “Keogh Plans”.

Certain similar state and other local statutory rules may apply to plans that are not subject to ERISA, such as government plans, church plans, and plans maintained outside of the United States; fiduciaries of these plans should be familiar with the rules governing those plans.

### Fiduciary Duties

Section 404(a)(1) of ERISA sets forth a general standard of behavior and restrictions for fiduciaries of employee benefit plans. It requires that a fiduciary discharge its duties with respect to a plan (i) solely in the interest of the participants and beneficiaries, (ii) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan, (iii) in accordance with a prudent-man rule (that is “with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims”), (iv) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and (v) in accordance with the documents governing the plan insofar as they are consistent with ERISA.

In determining whether a particular investment is appropriate for a plan subject to ERISA, the U.S. Department of Labor provides in regulations that the plan fiduciaries must give appropriate consideration to, among other things, the role that the investment plays in the plan’s portfolio, taking into consideration whether the investment is designed reasonably to further the plan’s purposes, an examination of the risk and return factors, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the plan, and the projected return of the total portfolio relative to the plan’s funding objectives.

Before investing the assets of a plan, IRA, or similar benefit arrangement in a Sub-Fund (whether or not such plan, IRA or arrangement is subject to ERISA), subject to the provisions of this Prospectus, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities, including the foregoing rules to the extent applicable, taking into account among other things the compensation arrangements and the limitations and risks pertinent to an investment in such Sub-Fund as set forth in this Prospectus. For example, a fiduciary should consider whether an investment in such Sub-Fund may be too illiquid or too speculative for a particular plan, and whether the assets of the plan would be sufficiently diversified if such an investment is made.

### Plan Assets

Under regulations issued by the U.S. Department of Labor, as modified by Section 3(42) of the ERISA (the “Plan Asset Regulations”), if a plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, as amended, the plan’s assets will generally include both the equity interest in the entity and an undivided interest in each of the underlying assets of the entity (and therefore the entity will be considered to hold plan assets),

unless it is established that the entity is an “operating company” or that equity participation in the entity by Benefit Plan Investors is not “significant”. Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is “significant” on any date if, immediately after the most recent acquisition or disposition (including a transfer) of any equity interest in the entity, 25% or more of the total value of any class of equity interests of the entity is held by Benefit Plan Investors. The Plan Asset Regulations provide additional special rules that affect this calculation, including disregarding investments made by certain affiliates of an entity and a “look through” rule for certain pooled entities that invest in an entity.

In addition, the Plan Asset Regulations provide that where a plan jointly owns property with others, or where the value of a plan's equity interest in an entity relates solely to identified property of the entity, the property will be treated as the sole property of a separate entity. As investment in a Sub-Fund relates only to the portfolio of the Sub-Fund, and the assets of a Sub-Fund are available to satisfy only the liabilities of such Sub-Fund, the Investment Manager believes that each Sub-Fund should be treated as a separate entity for purposes of the significant participation test and will apply the test on that basis.

An investment in the Shares of the Fund or a Sub-Fund will not be “publicly-offered security” within the meaning of the Plan Asset Regulations or a security issued by an investment company registered under the United States Investment Company Act of 1940, as amended. It is not expected that the Fund or any Sub-Fund will be an operating company. Except as otherwise described within a Sub-Fund’s Appendix, the Fund intends to limit participation by Benefit Plan Investors in each Sub-Fund so that participation by such Benefit Plan Investors in a Sub-Fund, subject to the provisions of this Prospectus, is not “significant”, as determined in reliance upon the information and representations provided by investors in the Application Form.

If the securities held by a Sub-Fund were deemed to include plan assets of Benefit Plan Investors, various provisions of ERISA and the Code would apply. During any period when the assets of a Sub-Fund are deemed to include plan assets, the Investment Manager intends to manage the assets of such Sub-Fund in accordance with the fiduciary responsibility requirements of ERISA and the prohibited transaction restrictions of ERISA and the Code. However, there can be no assurance that the Sub-Fund would be able to comply with these requirements. If the Sub-Fund were considered to hold plan assets, fiduciaries of plan investors subject to ERISA or the Code who are considering an investment in the Sub-Fund would also have to consider, for example, in addition to foregoing rules, whether the governing plan instruments authorized the delegation of fiduciary authority to the persons managing the Sub-Fund, and whether an investment in the Sub-Fund complies with the indicia of ownership rules under ERISA.

*Trustees, investment managers and other fiduciaries of employee benefits plans (whether or not subject to ERISA) are advised to consult their counsel with respect to questions arising under ERISA and the related provisions of the Code or other similar laws that may apply to an employee benefit plan not subject to ERISA.*

### **Japan**

No information, disclosures or other filings concerning the Shares have been submitted to the Financial Services Agency of Japan and/or the Kanto Local Finance Bureau, and the Shares are not offered, nor available for placement or subscription, in Japan whether to the public or on a private placement basis, without prejudice to the right of any resident of Japan to actively seek to subscribe to the Shares in a jurisdiction outside of Japan, pursuant to an offer validly made in such jurisdiction (and not in Japan) in accordance with relevant laws.

Each holder of the Shares shall not, directly or indirectly, offer or sell any Shares into Japan except pursuant to an exemption from the registration requirements under the Financial Instruments and Exchange Law of Japan (as amended) and otherwise in compliance with any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Republic of India***

Any person permitted to invest, at the discretion of the Management Company, must complete an Application Form which contains such representations, warranties and declarations as requested by the Management Company.

### ***General***

**Investment in the Fund should be regarded as a long-term investment. The value of Shares may fall as well as rise. There can be no guarantee that the investment objective of the Fund will be achieved and investors may not receive the amount originally invested. Investors should recognise that investing in Emerging Market Transferable Securities and financial derivative instruments involves certain risks and special considerations not typically associated with more developed countries and freely convertible currencies. For a description of these, investors are referred to the section headed “Risk Factors”.**

Distribution of this Prospectus is not authorised in any jurisdiction unless it is accompanied by the Fund’s most recent annual report and any subsequent semi-annual report. Certain important information on specific countries is set out in the relevant Country Supplement distributed together with this Prospectus, as required by the relevant local laws.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investing or any other matters and are recommended to consult their own professional advisers concerning the consequences of their acquiring, holding or disposing of Shares.

### **3.3 Key Investor Information Document**

A Key Investor Information Document (“KIID”) shall be available for all Sub-Funds and replace the simplified prospectuses of the Fund. In addition to summarising important information in the Prospectus, the KIID shall contain information on the historical performance for each of the Sub-Funds. The KIID is a pre-contractual document, which shall provide information on the risk profile of the relevant Sub-Fund, including appropriate guidance and warnings in relation to the risks associated with investment in the Sub-Funds and includes a synthetic risk and reward indicator in the form of a numerical scale, which ranks risk associated with investment on a scale of one to seven. The KIIDs shall be available on <http://www.ashmoregroup.com/our-funds/sicav-funds-kiids/> or on <https://www.fundsquare.net/homepage> and can also be obtained free of charge from the Fund.

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**4 DIRECTORY**

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**DIRECTORS OF THE FUND****Chairman:**

Steve Hicks, Ashmore Group plc nominated director

**Members:**

Claude Kremer, partner with the law firm Arendt & Medernach SA

Steve David, Senior Vice President - Country Head of Northern Trust Luxembourg and Managing Director of Northern Trust Luxembourg Management Company S.A.

John Gregory, Ashmore Group plc's Head of Technology and Middle Office Operations

Dennis Robertson, independent director

**MANAGEMENT COMPANY**

Northern Trust Luxembourg Management Company S.A.

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L-1748 Senningerberg

Grand-Duché de Luxembourg

**INVESTMENT MANAGER AND PRINCIPAL SALES AGENT**

Ashmore Investment Management Limited

61 Aldwych  
London WC2B 4AE  
England

**SUB-MANAGERS**

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Arlington, Virginia 22209  
U.S.A.

Ashmore Portföy Yönetimi Anonim Şirketi  
Cömert SK. Yapi Kredi Plaza C Blok Kat:  
11Levant 34337, Istanbul  
Turkey

**DEPOSITARY AND PAYING AGENT**

Northern Trust Global Services Limited,  
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Branch

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Grand-Duché de Luxembourg

**AUDITORS**

KPMG Luxembourg  
39, avenue J.F. Kennedy  
L-1855 Luxembourg

**LISTING AGENT**

Banque et Caisse d'Epargne de l'Etat  
Luxembourg

1 place de Metz  
L-2954 Luxembourg

**LEGAL ADVISORS**

Arendt & Medernach SA  
41A, avenue J.F. Kennedy L-2082  
Luxembourg

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**5 INVESTMENT OBJECTIVE AND POLICIES**

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**5.1 General Investment Objective of the Fund**

The general investment objective of the Fund is to achieve over the medium term a high level of total return consisting of income and/or capital appreciation. The Sub-Funds will seek to achieve their objective, in accordance with the specific investment objective and policies established for each Sub-Fund by the Board of Directors, by investing primarily in Emerging Market debt securities, equities or other Transferable Securities within the meaning of article 41(1) of the Law of 2010.

**5.2 Specific Investment Objective and Policies of each Sub-Fund**

The Board of Directors has determined the investment objective and policies of each of the Sub-Funds as described in the Sub-Funds Appendix. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the limits and restrictions set forth under 6. "Investment Restrictions" below.

**5.3 Additional Investment Policies for all Sub-Funds**

Each Sub-Fund may invest in financial derivatives instruments, as well as use special techniques and instruments for the purpose of efficient portfolio management and to hedge against market risks, within the limits laid down under sections 6 "Investment Restrictions" and 7. "Special Investment Techniques and Instruments".

Techniques and instruments shall be used only in accordance with the Sub-Funds' investment objective and policies.

Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

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**6 INVESTMENT RESTRICTIONS**

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The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund as described in the relevant Sub-Fund's Appendix, the investment policy shall comply with the rules and restrictions laid down hereafter.

Each Sub-Fund shall be considered as a separate UCITS for the purpose of sections A to G below.

**A. Investments in the Sub-Funds shall comprise only one or more of the following:**

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, a stock exchange in an Other State or on an Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently all Member States; all EFTA member states (this includes Iceland, Liechtenstein, Norway and Switzerland), Isle of Man, Jersey, Guernsey, the United States of America, Canada, Hong Kong, Singapore and Japan);
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;



- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

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

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

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

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

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

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**B. Each Sub-Fund may however:**

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

**C. In addition, each Sub-Fund shall comply with the following investment restrictions per issuer:**

**(a) Risk Diversification rules**

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

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

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

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value

of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

**(6) Notwithstanding the ceilings set forth above, each Sub-Fund, if and when permitted by the Articles of Incorporation, is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, or by a non-Member State accepted by the CSSF (being at the date of this Prospectus OECD member states, Singapore or any member state of the G20), or by a public international body of which one or more Member State(s) are member(s), provided that (i) the Sub-Fund holds in its portfolio securities from at least six different issues and (ii) the securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.**

(7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:

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

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

- **Bank Deposits**

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

- **Derivative Instruments**

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

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

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the Prospectus.

- **Units of Open-Ended Funds**

(12) Unless otherwise provided for with respect to a particular Sub-Fund, a Sub-Fund may invest up to 100% of its net assets in the units of other UCITS and up to 30% of its net assets in other UCIs provided that no Sub-Fund invest more than 20% of its net assets in the units of a single UCITS or other UCI.

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

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

- **Combined limits**

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by,

- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

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

**(b) Concentration Limits**

(15) The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

- (16) A Sub-Fund may acquire no more than:
- (i) 10% of the outstanding non-voting shares of any one issuer;
  - (ii) 10% of the outstanding debt securities of any one issuer;
  - (iii) 10% of the Money Market Instruments of any one issuer; or
  - (iv) 25% of the outstanding shares or units of any one UCI.

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

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

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

**D. In addition, each Sub-Fund shall comply with the following investment restrictions per instrument:**

(1) Each Sub-Fund shall ensure that its global exposure relating to derivative instruments and, to the extent required by applicable laws and regulations, other efficient portfolio management techniques does not exceed the total net value of its portfolio, as further described under section 6(l) of the Prospectus.

(2) Investments made in units of UCIs may not in aggregate exceed 30% of the net assets of a Sub-Fund.

**E. Finally, each Sub-Fund shall comply with the following investment restrictions:**

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.

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

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

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

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

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

**F. Notwithstanding anything to the contrary herein contained:**

(1) While ensuring observance of the principle of risk-spreading, each Sub-Fund may derogate from paragraph C. (a) Risk Diversification rules for a period of six months following the date of its authorisation.

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

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

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

### **G. Investment by a Sub-Fund within one or more other Sub-Funds**

A Sub-Fund may subscribe for (the “Investing Sub-Fund”), acquire and/or hold Shares issued by one or several other Sub-Fund(s) (the “Target Sub-Fund(s)”) under the following conditions:

- the Target Sub-Fund does not, in turn, invest in the Shares of the Investing Sub-Fund;
- no more than 10% of the assets of the Target Sub-Fund may be invested in aggregate in shares of other Sub-Funds of the Fund;
- the voting right linked to the Share class of the Target Sub-Fund acquired by the Investing Sub-Fund are suspended during the period of investment by the Investing Sub-Fund in the Shares of the Target Sub-Fund;
- in any event, for as long as such Shares in a Target Sub-Fund are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net asset value of the Investing Sub-Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law of 2010; and
- there will be no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund and the Target Sub-Fund and which will be dealt with in accordance with the policy set out in section 12.2 ‘Fees to be paid to the Investment Manager and Principal Sales Agent’ of the Prospectus.

### **H. Master-Feeder Structure**

Each Sub-Fund may act as a feeder fund (the “Feeder”) of a UCITS or of a compartment of such UCITS (the “Master”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. In such a case the Feeder shall invest at least 85% of its assets in shares/units of the Master.

The Feeder may not invest more than 15% in aggregate of its assets in one or more of the following:

- (a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law of 2010;
- (b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law of 2010; or
- (c) movable and immovable property which is essential for the direct pursuit of the Fund’s business.

### **I. Global Exposure**

The Management Company uses a risk management process which enables it to monitor and measure the exposure of each of the Sub-Funds to market, liquidity and counterparty risks, including operational risks, which are material for the Sub-Fund.

The Management Company will calculate the global exposure of each Sub-Fund by using either the commitment approach or the Value-at-Risk (VaR) methodology depending on the assessment of the risk profile of the relevant Sub-Fund resulting from its policy (including but not limited to its potential use of financial derivative instruments and features thereof) in accordance with the relevant European and/or Luxembourg applicable laws and/or regulations. In the interest of the Shareholders, the Fund has determined that the Management Company will, as a default, use the commitment approach to monitor and measure the global exposure of each



Sub-Fund unless otherwise provided for with respect to a particular Sub-Fund. This approach measures the global exposure related to positions on financial derivative instruments and, to the extent required by applicable laws and regulations, other efficient portfolio management techniques which, unless otherwise provided for with respect to a particular Sub-Fund, may not exceed the total net value of the portfolio of the relevant Sub-Fund.

The global exposure, when it is calculated via the commitment approach, takes into account the current market value of the equivalent position in the underlying assets, after deduction of potential hedging and netting effects to the extent permitted by the applicable laws and regulations.

This shall also apply to the following paragraphs.

Each Sub-Fund may invest, according to its investment policy and within the limit laid down in section 6 "Investment Restrictions" in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 6 "Investment Restrictions".

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in this section 6 "Investment Restrictions".

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 section.

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**7 SPECIAL INVESTMENT TECHNIQUES AND INSTRUMENTS**

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**7.1 General**

To the extent permitted by the CSSF Circular 14/592 implementing the guidelines of the European Securities and Markets Authority (“ESMA”) on ETFs and other UCITS issues (the “Circular 14/592”), each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management and hedging purposes.

When these operations concern the use of financial derivative instruments, the conditions and limits shall conform to the provisions laid down in section 6 “Investment Restrictions”.

In addition to investing in financial derivative instruments, the Fund may enter into OTC derivatives transactions for two purposes:

- (i) for hedging; and
- (ii) efficient portfolio management.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down under section 5 “Investment Objectives and Policies” and in the Sub-Funds Appendix or add substantial supplementary risks.

For further details on the risks linked to such transactions, please refer to the section “Risk Factors” of the Prospectus.

**(i) Derivative transactions the Fund may enter into may include the following:****Foreign Exchange Transactions:**

(a) Spot Foreign Exchange (Spot FX): A transaction providing for the purchase of one currency against the sale of another currency with a settlement on a “spot” basis, i.e. typically two business days forward.

(b) Forward Foreign Exchange (FX forward): A transaction providing for the purchase of one currency against the sale of another currency with settlement on a specified date in the future at a specified price.

(c) Foreign Exchange Option (FX Option): A transaction in which one party grants to the other (in consideration for a premium payment) the right to purchase or sell a specified amount of a given currency at a specified strike price at or until a specified date in the future.

**Interest Rate Swap Transactions:** A transaction in which one party pays to the other periodic amounts of a given currency based on a specified rate, and the other party pays periodic amounts of the same currency based on a specified floating rate. All calculations are based on a notional amount of the given currency.

**Bond Options:** A transaction in which one party grants to the other party (in consideration for a premium payment) the right to purchase or sell a bond of an issuer at a specified strike price. The bond option can be settled by physical delivery of the bonds in exchange for the strike price

or may be cash settled based on the difference between the market price of the bonds on the exercise date and the strike price.

**Currency Swaps:** A transaction in which one party pays periodic amounts in one currency based on a specified fixed rate (or a floating rate that is reset periodically) and the other party pays periodic amounts in another currency based on a floating rate that is reset periodically. All calculations are determined on predetermined notional amounts of the two currencies; often such swaps may also involve initial and or final exchanges of amounts corresponding to the notional amounts.

**Swap Options (“Swaption”):** A transaction in which one party grants to the other (in consideration for a premium payment) the right to enter into a swap with certain specified terms. In some cases the swaption may be settled with a cash payment equal to the market value of the underlying swap at the time of the exercise.

**Non-Deliverable Foreign Exchange Forwards:** A FX Forward, sometimes involving currency that is not freely convertible, where the underlying “reference currency” is not exchanged at such future date (the “Termination Date”), but only a net amount (the “Net Amount”) (typically in US Dollars) shall be payable from one party to the other. The Net Amount will be determined based on the difference between the amount resulting from the application of the predetermined rate of exchange on the underlying reference currency, and the amount resulting from the application of the current market rate of exchange at the Termination Date.

**Non-Deliverable Foreign Exchange Options:** A transaction in which a party grants to the other (in consideration for a premium payment) the right to purchase or sell a specified amount of a given currency at a specified strike price at or until a specified future date. The exercise of this option transaction will result in the payment of Net Amount determined as above, and no exchange of the notional amount will take place.

**Total Return Swaps (“TRS”):** The Fund will only enter into TRS on a fully funded basis. A TRS is a transaction in which one party (“the First Party”) makes an initial payment to another party (“the Second Party”) equal to the value of a loan, debt security or other financial instrument (the “Reference Obligation”) issued, guaranteed or otherwise entered into by a third party (the “Reference Entity”) and held by or due to the Second Party. The Second Party shall pay to the First Party any interest, dividend and fee payments, as applicable, that it receives in respect of the Reference Obligation from the Reference Entity and the market value of the Reference Obligation at the maturity of the transaction (this will typically, absent default or another referenced event, be the notional amount of the Reference Obligation if the TRS is linked to the maturity of the Reference Obligation).

A TRS may provide for acceleration of its termination date upon the occurrence of one or more referenced events with respect to a Reference Entity or a Reference Obligation. This acceleration will result in termination payment being made by the Second Party to the First Party calculated by reference to the value of the Reference Obligation.

**Credit Default Swaps (“CDS”):** A CDS is a bilateral financial contract under which the protection buyer pays a fee, usually expressed in basis points per annum on the notional amount of the relevant contract, in return for a payment by the protection seller contingent on the occurrence of a credit event, such as a bankruptcy, default, or restructuring, with respect to a reference entity. The credit events and applicable settlement mechanism used to determine the contingent payment are negotiated between the counterparties at the time of trading. Once the

credit event has been declared, the protection buyer has the right to settle the contract. Settlement is usually physical, with the protection buyer having the right to deliver debt (typically bonds) of the reference entity up to the notional amount of the contract. In return, the protection buyer receives the par value of those obligations. Selling protection is the synthetic equivalent of buying a bond or other form of debt. Buying protection is the equivalent of synthetically shorting or hedging a bond or other credit exposure.

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

The cost of this right will be substantially less than the cost of the share itself. Consequently the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor; the higher the leverage the more attractive the warrant. One may make comparisons or relative worth among warrants considering the premium paid for such rights and the amount of leverage imbedded in the warrants. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Purchasers should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

**Convertible Bonds:** Convertible bonds confer on the investor the option to convert bonds into a given number/ratio of shares in the underlying company at a given price. Investors should be warned that such types of bonds may be more sensitive to market risks, default risks and interest rate risks.

## 7.2 Securities lending and borrowing

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

- (i) It may only lend or borrow securities through a standardized system organized by a recognised clearing institution or through a first class financial institution approved by the Investment Manager and that specialises in this type of transaction.
- (ii) As part of lending transactions, it must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to the total valuation of the securities lent. This guarantee must at all times comply with the criteria in sub-section 7.4 'Management of collateral' below, to reduce the counterparty risk exposure associated therewith.

Such a guarantee shall not be required if the securities lending is made through recognised clearing institutions or through any other organisation assuring to the lender a reimbursement of the value of the securities lent by way of a guarantee or otherwise.

- (iii) It will ensure that the volume of the securities lending and borrowing transactions is kept at an appropriate level and that it is able at any time to recall any securities lent or terminate any securities lending agreement into which it has entered in a manner that enables it, at all times, to meet its redemption obligations.

- (iv) The securities borrowed by the Fund may not be disposed of during the time they are held by the Fund, unless they are covered by sufficient financial instruments which enable it to reinstate the borrowed securities at the close of the transaction.
- (v) It may only borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period when the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; and (c) to avoid a failed settlement when the Depository fails to make delivery.

All revenues arising from securities lending and borrowing transactions net of direct and indirect operational costs and fees shall be returned to the relevant Sub-Fund. These costs and fees shall not include hidden revenue. The net revenues of the Sub-Funds arising from securities lending transactions together with the direct and indirect operational costs and the identity of the entities to which such costs are paid shall be disclosed in the Fund's annual report.

At the date of this Prospectus, the Fund does not engage in any securities lending and borrowing transactions. The Fund however reserves the right to resort, for each Sub-Fund, to such techniques within the above limits and conditions, as further described in the Sub-Funds Appendix.

### **7.3 Repurchase Agreement transactions**

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

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

- (i) It may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by Community law and approved by the Investment Manager and that specialises in this type of transaction.
- (ii) During the life of a repurchase agreement contract, it cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has borrowed similar securities in compliance with the provisions set forth above in respect of securities borrowing transactions.
- (iii) Where the Sub-Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.
- (iv) When entering into a reverse repurchase agreement, it must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the

reverse repurchase agreement must be used for the calculation of the net asset value of the Sub-Fund.

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

The Fund, for each Sub-Fund, intends to enter into repurchase agreement transactions on a regular basis as further described in and permitted by the Sub-Funds Appendix.

## **7.4 Management of collateral**

### **7.4.1 General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, a Sub-Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. The Fund however reserves the right to amend or remove the list of eligible collateral, change its haircut policies or revise its list of authorized counterparties if it considers it to be in the best interest of Shareholders.

All assets received by the Sub-Funds in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

The risk exposure to a single counterparty of a Sub-Fund arising from OTC financial derivative transactions and efficient portfolio management techniques will be combined when calculating the counterparty risk limits foreseen under sub-section C.(9) of section 6 “Investment Restrictions” of the Prospectus.

The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by the Fund, for each Sub-Fund, are selected from a list of authorised counterparties established with the Investment Manager. The counterparties will be first class institutions which are either credit institutions or investment firm, which are subject to prudential supervision. The annual report of the Fund will contain details of (i) the identity of such counterparties, (ii) the underlying exposure obtained through financial derivative transactions, and (iii) the type and amount of collateral received by the Sub-Funds to reduce counterparty exposure.

### **7.4.2 Eligible Collateral**

Collateral received by a Sub-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.

All collateral obtained under an OTC financial derivative transaction and efficient portfolio management techniques shall comply with the following criteria at all times:

- i. any collateral received other than cash collateral shall be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- ii. any collateral received shall comply with the provisions of sub-section C.(b) of section 6 "Investment Restrictions" above;
- iii. the collateral shall be valued on a daily basis pursuant to the provisions of section 16.5 "Determination of the Net Asset Value of Shares" below;
- iv. collateral which exhibits high price volatility shall not be accepted unless suitably conservative haircuts are in place;
- v. in terms of issuer credit quality the collateral received shall be of high quality;
- vi. the collateral shall be issued by an entity that is independent from the counterparty in an OTC financial derivative transaction or an efficient portfolio management technique and is expected not to display a high correlation with the performance of such counterparty;
- vii. the collateral (including any re-invested cash collateral) must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty to efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be permitted to hold as collateral securities issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong for up to 100% of its net asset value, provided that it holds securities from at least six different issues, securities from any single issue not accounting for more than 30% of the this Sub-Fund's net asset value. To the extent a Sub-Fund intends to make use of such derogation, it will list the Member States, local authorities, or public international bodies issuing or guaranteeing securities which it is able to accept as collateral beyond the 20% limit in the Sub-Fund appendix;
- viii. where there is a title transfer, the collateral received shall be held by the Depository. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
- ix. non-cash-collateral shall not be sold, re-invested or pledged;
- x. the collateral received must be capable of being fully enforced at any time.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;



- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

### 7.4.3 Level of collateral

The Fund will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in the Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

### 7.4.4 Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts for each asset class taking into account the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests under normal and exceptional liquidity conditions.

The following minimum haircuts are applied:

Collateral Instrument Type	Haircut
Cash	0%
Government Bonds	1%*
Non-Government Bonds	5%
Others	To be determined on a case by case basis

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

### 7.4.5 Reinvestment of cash collateral

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives and limits thereof, and in compliance with the requirements of the CSSF 14/592, as described below:

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds;
- used for reverse repurchase transactions under which the cash is callable at any time;
- invested in short-term money market funds as defined in the CESR's Guidelines 10-049 of 19 May 2010 on a Common Definition of European Money Market Funds.

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

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**8 POOLING**

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The Management Company, upon advice of the Board of Directors may decide to invest and manage all or any part of the portfolio of assets established for two or more Sub-Funds, that are to be committed to the same investment objectives, policies and restrictions, within the Fund and/or other Luxembourg collective investment schemes the assets of which are also deposited with the Depositary (for the purposes hereof "Participating Sub-Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect to the investment policies of the pool concerned) from each of the Participating Sub-Funds. Thereafter, the Management Company, upon advice of the Board of Directors may decide from time to time to make further transfers to each asset pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the Sub-Fund concerned.

Each participating Sub-Fund shall be entitled to assets in such pool as determined by reference to the allocations and withdrawals of assets by the relevant Sub-Fund and to those made on behalf of the other Participating Sub-Funds. The entitlement of each participating Sub-Fund applies to each and every line of investment of such pool. The segregation of assets transferred by each Participating Sub-Fund in a pool will at any time be possible and such assets allocated to the relevant Participating Sub-Funds. Where a cash contribution or a withdrawal is made it will be reduced by an amount which the Management Company, upon advice of the Board of Directors may decide to consider appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned or, respectively, increased by an addition reflecting costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Sub-Funds in proportion to their respective participation in the asset pool at the time of receipt. On the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Sub-Funds in proportion to their respective participation in the asset pool.

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**9 DIRECTORS, MANAGEMENT AND ADMINISTRATION**

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**9.1 Directors of the Fund**

The Directors of the Fund are responsible for the overall administration, control and management of the Fund, including the determination of the investment objective and policies of each Sub-Fund. In particular, the Directors of the Fund are responsible for the monitoring and the overall supervision and control of the Management Company. To this effect, the Board may give board recommendations to the Management Company in relation to, without limitation, the structure, promotion, administration, investment management and distribution of the Fund and the contents of any documentation relating to the Fund (including but not limited to, the Prospectus and any marketing material).

The Directors of the Fund are:

**Chairman:**

*Steve Hicks* is the Ashmore Group plc (“Ashmore”) nominated director on a number of Ashmore fund boards. From June 2010 until January 2014, he was the Ashmore Head of Compliance. Prior thereto he was Director, Group Compliance at the London listed private equity company, 3i Group plc. During his career, Steve, who is a qualified UK lawyer, has held a number of legal and compliance roles over a period of more than 25 years.

**Members:**

*Claude Kremer* is partner with the law firm of Arendt & Medernach SA. He holds a Masters degree in Law and History from the University of Grenoble (France) and a Masters degree in Accounting and Finance from the London School of Economics and Political Science. He was admitted to the Luxembourg Bar in 1982. He was the chairman of the Association of Luxembourg Investment Funds (“ALFI”) in the period of 2007-2011 and served as the president of European Fund and Asset Management Association (“EFAMA”) in the period of 2011-2013.

*Steve David* is a Senior Vice President at Northern Trust, Country Head of Northern Trust Luxembourg and Managing Director of Northern Trust Luxembourg Management Company S.A., having joined the organisation in 2004. In this role, Steve is responsible for leading and managing the continued expansion of its specialist fund servicing and custody operations. Steve has over 20 years experience in the investment funds industry and has held various positions including compliance, risk, fiduciary and quality assurance within Ikano Advisory Management S.A., Chase Manhattan Bank Luxembourg S.A. and PriceWaterhouseCoopers.

*John Gregory* is Ashmore Group plc (“Ashmore”)’s Head of Technology and Middle Office Operations, having joined Ashmore in 2010. He is responsible for Ashmore Global Operating Model. A key aspect of his role is the management and continued evaluation of the services and relationships between Ashmore and its outsourced providers such as fund administrators, technology vendors and custodians. He was previously employed at Fidelity International for 13 years in various roles, including 4 years in Japan as Chief Operating Officer for the domestic on-shore asset management business, 3 years in Hong Kong as Chief Operating Officer for the Front Office for the Asia Pacific region and latterly, 4 years as Chief Operating Officer for the Front Office at Fidelity International headquarters in London.

*Dennis Robertson* retired from KPMG in September 2013 after 35 years with the firm, throughout the Middle East and London and including latterly 24 years in Luxembourg. He has acted as an audit partner on many high profile client mandates in the investment management industry, primarily in the traditional long only UCITS space. Apart from being an audit partner, he has held several other senior management positions within the firm in Luxembourg, including Head of the Audit practice, Chairman of the Supervisory Board and 10 years as the firm's Risk Management and Ethics and Independence Partner. He has also represented the firm on the Global Investment Management Council. He is a graduate in Accountancy and Finance from Heriot Watt University in Edinburgh and is a member of the Institute of Chartered Accountants of Scotland since 1977 and is also a member of the Institute of Réviseurs d'Entreprises in Luxembourg. He now acts as an independent director in the investment management industry in Luxembourg.

## **9.2 Management Company**

### **Appointment of the Management Company**

The Directors have designated Northern Trust Luxembourg Management Company S.A. to be the Management Company of the Fund under the term of an Amended and Restated Management Company Services Agreement dated 25 February 2010, as may be amended from time to time.

Under the terms of this agreement the Management Company shall act as the Fund's management company in the best interest of the Shareholders and according to the provisions set forth by Applicable Law, the Prospectus, the Articles of Incorporation and shall, in particular, be in charge of the day-to-day management of the Fund under the overall supervision, control and ultimate liability of the Board of Directors of the Fund. As such, the Management Company will perform and render without limitation: (i) investment management services, (ii) administrative agency, corporate and domiciliary agency, registrar and transfer agency services, and (iii) marketing, principal distribution and sales services.

Moreover, the Management Company will ensure that it has in place a remuneration policy that is consistent with sound and effective risk management and which does not encourage risk taking which is inconsistent with the risk profile of the Sub-Funds. The Management Company has identified its staff members whose professional activity have a material impact on the risk profiles of the Sub-Funds, and shall ensure they comply with remuneration policy. The details of the up-to-date remuneration policy of the Management Company is available on <https://www.northerntrust.com/asset-servicing/europe/services/manager-remuneration-policy.page> and a paper copy is available free of charge upon request to the registered office of the Management Company.

### **Central administration and domiciliary services**

The Management Company has undertaken to provide the Fund with certain administration services, including general administration and co-ordination services (e.g. initiation, management and follow-up, co-ordination and management of all relationships between the Management Company and third parties and control and evaluation of services provided by third parties) as well as the bookkeeping and maintenance of all accounts of the Fund, the periodic determination of the net asset value per Share, the preparation and filing of the Fund's financial reports and the liaison with the auditor.

In addition, the Management Company will, under the terms of the Amended and Restated Management Company Services Agreement, act as corporate and domiciliary agent for the Fund.

### **Registrar and transfer agent services**

The Management Company has undertaken to provide the Fund registrar and transfer agent services. As such, the Management Company will be responsible for handling the processing of subscriptions for shares, dealing with requests for redemption and conversion and accepting transfers of funds, for the safekeeping of the register of Shareholders of the Fund and the safekeeping of all non-issued share certificates of the Fund.

### **Delegated functions**

Subject to the conditions set forth by the Law of 2010 and the Amended and Restated Management Company Services Agreement, the Management Company is authorised, in order to conduct its business efficiently, to delegate, under its responsibility and control, and with the consent of the Fund and the CSSF, part or all of its functions and duties to any third party. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the investment management services and the marketing, principal distribution and sales services to Ashmore Investment Management Limited.

## **9.3 Investment Manager and Principal Sales Agent**

### **Investment Management Services**

In order to implement the investment policies of each Sub-Fund, the Management Company has delegated, under its permanent supervision and responsibility, the management of the assets of each Sub-Fund to Ashmore Investment Management Limited, a wholly owned indirect 100% subsidiary of Ashmore Group plc, under the terms of the Discretionary Investment Management and Sales Agent Agreement.

Pursuant to the Discretionary Investment Management and Sales Agent Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage each Sub-Fund's portfolio.

The Investment Manager, in the execution of its duties and the exercise of its powers, shall comply with each Sub-Fund's investment policies and restrictions.

With the consent of the Board of Directors and the Management Company, the Investment Manager has appointed Ashmore Equities Investment Management (US) LLC to act as Sub-Manager in relation to the portfolio of certain Sub-Funds. Under the terms of a Sub-Investment Manager Agreement dated 30 September 2011, as amended and restated, the Sub-Manager will provide investment management services with respect to the relevant Sub-Funds (as further detailed in the relevant Sub-Funds Appendix). Ashmore EMM Holding Corp., a company formed under the laws of the State of Delaware in the United States of America and an indirect 100% subsidiary of Ashmore Group PLC acquired a 69.2% interest in Ashmore Equities Investment Management (US) LLC on 31 May 2011.

With the consent of the Board of Directors and the Management Company, the Investment Manager will retain Ashmore Portföy Yönetimi Anonim Şirketi as Sub-Manager in relation to the portfolio of certain Sub-Funds. Under the terms of a Sub-Investment Manager Agreement to be entered into, the Sub-Manager will provide investment management services with respect to the relevant Sub-Funds (as further detailed in the relevant Sub-Funds Appendix). Ashmore Portföy Yönetimi Anonim Şirketi is a Turkish incorporated company authorised and regulated by the Turkish Capital Market Board. It is also a subsidiary of Ashmore Group PLC.

### **Principal sales agent services**

Under the same agreement, Ashmore Investment Management Limited has been empowered with full power to, *inter alia*, promote, market and distribute the Shares of the Fund in accordance with applicable laws and the Prospectus.

According to the Discretionary Investment Management and Sales Agent Agreement, Ashmore Investment Management Limited may enter into such agreements with Sales Agents of its choice for the marketing, promotion, offer, and sale of Shares, it being understood that it shall only enter into such agreements with the Sales Agents that satisfy such criteria as shall be agreed between the Board, the Management Company and Ashmore Investment Management Limited, in writing from time to time.

The Investment Manager and Principal Sales Agent is a company incorporated in the UK and authorised and regulated by The Financial Conduct Authority. Its primary activity involves the provision of specialist emerging market investment management and advisory services to various investment vehicles and accounts. Ashmore Investment Management Limited has approximately US\$77,400,000,000 of assets under management as at 30 June 2013.

## **9.4 Depositary**

### **9.4.1 Appointment**

The Fund has appointed Northern Trust Global Services Limited, London (Royaume-Uni), Luxembourg Branch (NTGS Luxembourg) as the depositary of all of the Fund's assets, including its cash and securities, which will be held either directly by the Depositary or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depositary, clearing systems or securities settlement systems.

NTGS Luxembourg is a credit institution originating from the UK, whose offices are located at 6, rue Lou Hemmer, L-1748 Senningerberg, Grand-Duché de Luxembourg. NTGS Luxembourg's direct parent company is Northern Trust Global Services Limited (NTGS), which is a UK subsidiary of the Northern Trust Company, as US global custodian bank founded in 1889, headquartered in Chicago, Illinois and whose assets under custody amount to approximately 4.56 trillion US\$. NTGS Luxembourg is registered with the CSSF as a branch of credit institutions originating from a Member State of the European Union and assimilated, authorised in Luxembourg according to article 30 of the Luxembourg law of 5 April 1993 on the financial sector as amended from time to time.

The rights and duties of the Depositary are governed by the Depositary and Paying Agent Agreement.

The Fund and the Depositary may terminate the Depositary and Paying Agent Agreement on 6 months' written notice. The Depositary and Paying Agent Agreement may also be terminated on shorter notice in certain circumstances. However, the Depositary shall continue to act as Depositary for up to two months pending a replacement depositary being appointed and until such replacement, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the Shareholders of the Fund and allow the transfer of all assets of the Fund to the succeeding depositary.

#### **9.4.2 Duties and liability**

In performing its obligations under the Depositary and Paying Agent Agreement, the Depositary shall observe and comply with (i) Luxembourg laws, (ii) the Depositary and Paying Agent Agreement and (iii), to the extent required, the terms of this Prospectus. Furthermore, in carrying out its role as depositary bank, the Depositary must act solely in the interest of the Fund and its Shareholders.

The Depositary is entrusted with the safe-keeping of the Fund's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Fund, in respect of each Sub-Fund. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Fund in respect of each Sub-Fund. Furthermore, the Depositary shall ensure that the Fund cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary and Paying Agent Agreement:

- ensure that the sale, issue, conversion, repurchase and cancellation of the Shares are carried out in accordance with the Luxembourg laws and the Articles of Incorporation;
- ensure that the net asset value of the Shares is calculated in accordance with Luxembourg laws and with the Articles of Incorporation;
- carry out the instructions of the Fund or of the Management Company, unless they conflict with Luxembourg laws or with the Articles of Incorporation;
- ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits;
- ensure that the income of the Fund is applied in accordance with the Luxembourg laws and the Articles of Incorporation.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the Law and the Depositary and Paying Agent Agreement. In particular, such third parties must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The list of such third parties appointed by the Depositary, along with the sub-delegates, together with any conflicts of interest which may arise from such delegation is set forth in Schedule 1 attached. The Depositary's liability shall not be affected by any such delegation. Subject to the terms of the Depositary and Paying Agent Agreement, entrusting the custody of assets to the operator of a securities settlement system is not considered to be a delegation of custody functions.



Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (i.e. the effective prudential regulation) under the Law, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Fund, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Fund.

In accordance with the provisions of the Law and the Depositary and Paying Agent Agreement, the Depositary shall be liable for the loss of a financial instrument held in custody by the Depositary or a third party to whom the custody of such financial instruments has been delegated as described above. In such case, the Depositary must return a financial instrument of identical type or the corresponding amount to the Fund, without undue delay. The Depositary shall not be liable if it is able to prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable to the Fund, or to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Law and the Depositary and Paying Agent Agreement.

Updated information on the Depositary's custody duties, delegations and sub-delegations may be obtained, free of charge and upon request, from the Depositary.

#### **9.4.3 Conflict of interests**

As per its conflicts of interest policy, the Depositary is not allowed to carry out activities with regard to the Fund that may create conflicts of interest between the Fund, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and such potential conflicts of interest are properly managed, monitored and disclosed to the Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest relying on specific pre-defined rules designed to prevent any conflict of interest in the context of its activities such as the Depositary or the Fund or the Shareholder has an interest in the outcome of the service provided to the Fund or is likely to make a financial gain or avoid a financial loss at the expense of the Fund;
- **Managing the conflict of interest situations either in:**
  - o Implementing appropriate procedure to enable the Depositary to identify potential conflicts of interests;
  - o Providing guidance to assist in managing potential conflicts of interest by appropriate measures such as separation of functions and information or adherence to a Standard of independence:

- Disclosing the nature of the conflict of interest where the arrangements to manage the conflict are not sufficient to avoid any damage to the Fund's interests

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Shareholders are fairly treated.

The list of identified conflicts of interest is set forth in Schedule 1 attached.

The Depositary may act as the depositary or custodian of other undertakings for collective investment. The Depositary has delegated custody services to sub-custodians in certain eligible markets in which the Fund may invest. Moreover, the Fund has designated Northern Trust Luxembourg Management Company SA as Management Company which will provide management company services to the Fund, including fund accounting, valuation, and calculation as well as registrar and transfer agency services.

The Depositary will, however, have regard in such event to its obligations under the Depositary and Paying Agent Agreement and the UCITS Directive and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

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**10 THE SHARES AND SHARE DEALINGS**

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The Fund offers investors a choice of investments in one or more Sub-Funds as detailed in the Sub-Fund appendix. Within each Sub-Fund, Shares may be offered in different Classes as described in Section 10.1.2 below and the Sub-Fund appendix.

Subject to the restrictions described below, Shares of each Class of each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to that Class. The rules governing such allocation are set forth below. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or preemptive rights, and each one is entitled to one vote at all general meetings of shareholders and at all meetings of the Sub-Fund in which Shares are held.

The Board of Directors will have ultimate responsibility for advising the Management Company in relation to any decision to accept or reject any application for the subscription of or other dealing in Shares.

The Management Company may restrict or prevent the ownership of Shares by any person, firm or corporation, if the ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders or of any Sub-Fund or Class therein. Where it appears to the Management Company that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Management Company may proceed to compulsory redemption of all Shares so owned.

The Fund issues exchange-traded and actively-managed exchange-traded Shares as well as Shares that are not listed on a stock exchange, as specified in the relevant Sub-Fund appendix under section 2 of the Prospectus. Further information in relation to the subscription, conversion, transfer and redemption of Shares, as well as the Secondary Market for the Ashmore Source UCITS ETF Shares, is set out below.

**Form of the Shares**

The Shares are available in registered form only and will be issued without certificates. The Ashmore Source UCITS ETF Shares may however be represented by a global share certificate. Such global share certificates will be issued and deposited with a Recognised Clearing and Settlement System. Global share certificates will be transferable in accordance with applicable laws and any rules and procedures issued by any Recognised Clearing and Settlement System concerned with such transfer. Such Ashmore Source UCITS ETF Shares represented by a global share certificate are freely transferable subject to and in accordance with the rules of the relevant Recognised Clearing and Settlement System. Shareholders who are not participants in such systems will only be able to transfer such Ashmore Source UCITS ETF Shares represented by a global share certificate through a financial intermediary who is a participant in the settlement system of the relevant Recognised Clearing and Settlement System.

**Market Timing and Late Trading**

Subscription and conversion of Shares should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm the Fund's or a Sub-Fund's performance. To minimise harm to the Fund and the Shareholders, the

Management Company has the right to reject any subscription or conversion order, or levy in addition to any subscription or conversion fees which may be charged, a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is engaging in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Management Company, has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Management Company may consider trading conducted in multiple accounts under common ownership or control. The Management Company also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The Fund and the Management Company will not be held liable for any loss resulting from rejected orders or mandatory redemptions.

When subscribing, redeeming or converting, an investor is unaware of the net asset value per Share.

## **10.1 Investing in the Fund on the Primary Market**

The Primary Market is the market on which Shares are issued by and/or redeemed from the Fund directly, subject to the terms of this Prospectus.

### **10.1.1 Subscription for Shares on the Primary Market**

#### **a) Account opening procedure**

Prior to placing their first subscription, investors must open an account with the Management Company and/or one of the Sales Agents (which will in turn forward details of all such applications to the Management Company) by using the Application Form and completing and submitting it, together with all supporting documentation in relation to know-your client materials and money laundering prevention checks. The Application Form (together with all supporting documentation, information and confirmations) must be received by the Management Company by 13:00 CET the Business Day before the first subscription.

Investors are required to complete all relevant sections of the Application Form, including all applicable declarations and indemnities to the investor.

Pursuant to Luxembourg law, and the circulars of the CSSF, professional obligations have been outlined to prevent the use of UCIs for money laundering and terrorism financing purposes.

As a result, the Management Company has to ensure that the identity of subscribers who are individuals (demonstrated by a certified copy of their passport or identification card) or of subscribers who are not individuals (demonstrated by a certified copy of their articles of incorporation or equivalent documentation) or the status of financial intermediaries (demonstrated by a recent original extract of the trade register and, where applicable or if requested, a certified copy of the business authorization delivered by the competent local authorities) are disclosed to the Fund. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorized persons.

Failure to provide the Management Company with the original Application Form fully completed and supporting documentation required may result in an application being refused or delayed pending receipt of all documentation as requested, at the discretion of the Management Company, or may delay settlement of redemption proceeds and dividends.

The Management Company reserves the right at any time during the course of its relationship with an investor or Shareholder, to suspend the execution of applications for subscription, conversion or redemption, in whole or in part and to request the investor or Shareholder to submit additional information and documentation, from time to time, for the purpose of adherence to anti-money laundering law and regulations.

Application through the Sales Agents may be subject to additional requirements or procedures as may be required or under applicable local laws. For more information, please contact the relevant Sales Agent. Relevant information may also be set out in Section 17 'Information for Investors in Certain Countries' of the Prospectus or in the Country Supplement.

#### **b) Applications for subscription of Shares**

Once the investor account is opened as per the procedure set out above, investors whose applications for subscription of Shares are accepted will be allotted Shares issued on the basis of the net asset value per Share of the relevant Class determined on a given Valuation Day, provided that the application is received by the Management Company or one of the Sales Agents not later than 13:00 CET (the "cut-off time"), on the same Valuation Day. Applications received after that cut off time will be processed on the next following Valuation Day. The Management Company reserves the right to reject any application for subscription in respect of which it has not received a duly completed Application Form.

Once the first application for Shares has been accepted, subsequent applications for Shares should be made by telephone, fax or in writing to the Management Company or to one of the Sales Agents or by such other means, as the Fund, with the consent of the Management Company, may prescribe from time to time where such means are in accordance with the requirements of the CSSF. Subject to approval of the Management Company, the term "in writing" in relation to application for Shares shall include orders submitted by post, by way of SWIFT or other electronic means (including Application Forms submitted in a Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form) in accordance with the investors' instructions on the Application Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors. Furthermore, telephone applications will be recorded.

Institutional Investors may subscribe either by indicating the amount they are subscribing for or the number of Shares they wish to acquire. Retail Investors may only subscribe by indicating the amount they are subscribing for.

Offers for interests in the JPY Class Shares will be upon application only and take place only at the office of the Management Company at the address given under section 4 titled "Directory" of the Prospectus. There is no intention to make a public offering of any of the JPY classes in any jurisdiction.

Subscriptions for Shares in each Sub-Fund can be made to the Management Company or the relevant Sales Agent on any day that is a Business Day for the relevant Sub-Fund.

The Board of Directors may fix minimum subscription amounts for each Class, which, if applicable, are detailed under section 10.1.2 below. The Investment Manager, acting as the delegate – and under the responsibility of the Management Company, may from time to time, waive any applicable minimum subscription amounts or minimum additional subscription amounts.

A sales charge of up to 5% of the net asset value per Share is payable, or may be waived in whole or in part at the discretion of the Principal Sales Agent or the relevant Sales Agent. The sales charge (if any) will be paid to, and retained by, the Principal Sales Agent or the relevant Sales Agent.

Payment for Shares must be received by the Depositary net of all bank charges in the reference currency of the relevant Class of Shares (US\$ for Shares denominated in US\$, EUR for Shares denominated in Euro, GBP for Shares denominated in GBP, NOK for Shares denominated in NOK, DKK for Shares denominated in DKK, SEK for Shares denominated in SEK, CHF for Shares denominated in CHF, JPY for Shares denominated in JPY, AUD for Shares denominated in AUD, CAD for Shares denominated in CAD, MXN for Shares denominated in MXN, USD for Shares of the BRL Class, SGD for Shares denominated in SGD, and TRY for Shares denominated in TRY), not later than three Business Days after the Valuation Day upon which the net asset value for the allotment of such Shares is determined. The Management Company reserves the right to claim interest for late payment. A subscription for Retail Shares (including Z Shares) shall not be processed by the Management Company until such time as it has received evidence of payment for such Shares.

The Management Company may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policies and restrictions. Any such contribution in kind will be valued in the Auditors' report drawn up in accordance with the requirements of Luxembourg law, such report to be at the cost of the relevant investor. When an investor makes an application including a contribution in kind, he/she is required to send in all supporting documentation requested by the Management Company, including the Auditors' report and fully completed application for Shares, to the Management Company not later than 13.00 CET ten Business Days prior to the relevant Valuation Day.

The Management Company reserves the right to accept or refuse any application in whole or in part and for any reason. The Fund may also limit the distribution of Shares of a given Class or Sub-Fund to specific countries. The issue of Shares of a given Class shall be suspended whenever the determination of the net asset value per Share of such Class is suspended by the Fund (see "General Information – Temporary Suspension of Issues, Redemptions and Conversions").

Without the Management Company's prior written approval, no Shareholder shall be permitted to acquire the Shares for the purposes of repackaging the Shares or developing or entering into any structured products that are referenced, linked or secured over the Shares, including but not limited to credit linked notes, total return swaps, indexed notes, indexed swaps, principal protected products or any other synthetic products.

Subject to the provisions of this Prospectus and the relevant applicable U.S. and/or ERISA requirements, the Fund may, at its sole discretion, permit the admission of Benefit Plan Investors in a Sub-Fund. Except as otherwise described within a Sub-Fund's Appendix, the Fund intends to limit investment by Benefit Plan Investors in a Sub-Fund such that, after giving effect to any such admission, less than 25% of the total value of each Share Class in such Sub-Fund is held by Benefit Plan Investors (based on assurances received from investors). To the extent applicable with respect to a Sub-Fund, in its sole discretion the Fund may limit Benefit Plan Investors permitted to invest in a Sub-Fund to an aggregate amount below or substantially below the 25% threshold, or any other threshold that the Board deems appropriate, decline any

subscription requests from Benefit Plan Investors, or redeem at any time a Shareholder who is a Benefit Plan Investor.

Normally, confirmation of completed subscriptions will be sent to investors by facsimile and / or also by post to the facsimile number and postal address indicated in his/her application within two Business Days following the relevant Valuation Day, at the risk of the investor.

The Principal Sales Agent may enter into agreements with certain appointed Sales Agents or appoint financial institutions or professionals within the financial sector as nominees from FATF (Financial Action Task Force on Money Laundering) countries, the names of which may be obtained at the registered office of the Fund for investors subscribing for Shares through their facilities (distribution and nominee agreements). In such capacity the Sales Agent may effect subscriptions, conversions and redemptions of Shares in nominee name on behalf of individual investors and request the registration of such operations on the register of shareholders of the Fund in such nominee name. The nominee/Sales Agent maintains its own records and provides the investor with individualized information as to its holdings of Shares in the Fund. Except where local law or custom prohibits the practice, investors may invest directly in the Fund and not avail themselves of a nominee service. Unless otherwise provided by local law, any investor holding Shares in a nominee account has the right to claim, at any time, direct title to such Shares.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the register of Shareholders. In cases where an investor invests in the Fund, or a Sub-Fund, through an intermediary investing into the Fund, or a Sub-Fund, in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.



## 10.1.2 Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts

### Class Description

	<b>Institutional Class</b>	<b>Institutional II Class</b>	<b>Institutional III Class</b>	<b>Institutional IV Class</b>
<b>Available Currencies</b>	USD, GBP, EUR, EUR (unhedged)***, NOK, SEK, DKK, CHF, AUD, CAD, MXN, TRY**, BRL, SGD	JPY, JPY (unhedged)	USD, GBP, EUR, NOK, SEK, DKK, CHF, AUD, CAD, MXN, TRY**, BRL, SGD	USD, EUR, GBP, CHF
<b>Available to</b>	Institutional Investors	Institutional Investors	Institutional Investors who: (i) are an Ashmore Associate; or (ii) at the time the relevant subscription order is received, are clients of the Investment Manager and Principal Sales Agent with an agreement covering the charging structure relevant to the investors' investments in such Shares.	Institutional Investors
<b>Initial Price per Share</b>	US\$100 - EUR100 - GBP100 NOK100 - SEK 100 - DKK100 CHF100 - AUD100 - TRY200 CAD100 - MXN1,000 BRL-US\$100 – SGD100	¥10,000	US\$100 - EUR100 - GBP100 NOK100 - SEK 100 - DKK100 CHF100 - AUD100 - TRY200 CAD100 - MXN1,000 - BRL- US\$100 SGD100	US\$100 EUR100 GBP100 CHF100
<b>Dealing Days#</b>	Daily	Daily	Daily	Daily
<b>Deadline for submitting account opening application</b>	13:00 CET the Business Day prior to the relevant Valuation Day	13:00 CET the Business Day prior to the relevant Valuation Day	13:00pm CET the Business Day prior to the relevant Valuation Day	13:00 CET the Business Day prior to the relevant Valuation Day
<b>Dealing deadline for subscriptions*</b>	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day
<b>Minimum Initial Subscription / Holding Amount**</b>	US\$1,000,000 - EUR1,000,000 GBP600,000 - NOK6,000,000 SEK 6,000,000 - DKK6,000,000 CHF1,000,000 - AUD1,000,000 TRY1,800,000 - CAD1,000,000 MXN12,000,000 BRL-US\$1,000,000 - SGD1,000,000	¥4,000,000,000	US\$1,000,000 - EUR1,000,000 GBP600,000 - NOK6,000,000 SEK 6,000,000 - DKK6,000,000 CHF1,000,000 - AUD1,000,000 TRY1,800,000 - CAD1,000,000 MXN12,000,000 BRL-US\$1,000,000 - SGD1,000,000	US\$1,000,000 EUR1,000,000 GBP600,000 CHF1,000,000
<b>Minimum amounts for additional subscriptions**</b>	US\$5,000 - EUR5,000 - GBP3,000 NOK30,000 - SEK30,000 DKK30,000 - CHF5,000 - AUD5,000 TRY10,000 - CAD5,000 MXN60,000 - BRL-US\$5,000 SGD5,000	¥20,000,000	US\$5,000 - EUR5,000 - GBP3,000 NOK30,000 - SEK30,000 DKK30,000 - CHF5,000 - AUD5,000 TRY10,000 - CAD5,000 MXN60,000 - BRL- US\$5,000 SGD5,000	US\$5,000 EUR5,000 GBP3,000 CHF5,000
<b>Minimum redemption amount</b>	N/A	N/A	N/A	N/A
<b>Sales Charge</b>	Max 5%	Max 5%	Max 5%	Max 5%
<b>Redemption Charge</b>	None	None	None	None
<b>Performance Fee##</b>	None	None	None	Yes
<b>Valuation Day for redemptions</b>	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day
<b>Distribution Policy###</b>	Accumulation or distribution	Accumulation or Distribution	Accumulation or distribution	Accumulation or distribution

\* Once the investor account is opened pursuant to the procedure set out in section 10.1.1.a) (Account opening procedure) above.

\*\* The Investment Manager, acting as the delegate and under the responsibility of the Management Company may from time to time waive any applicable minimum subscription amounts. The costs of the conversion of subscription proceeds received into the reference currency of the relevant Sub-Fund are borne by the relevant Share Classes provided always that all Shareholders of the relevant Classes are treated equally.

\*\* TRY Class is only available within the Ashmore SICAV Turkish Equity Fund and Ashmore SICAV Turkish Debt Fund.

\*\*\* EUR (unhedged) Class is only available within the Ashmore SICAV Emerging Markets Local Currency Bond Fund.

# Please refer to the definition of "Business Day" in section 1.1. of the Prospectus.

## Please refer to Sub-Fund appendix and section 12 for more information.

### Please refer to Sub-Fund appendix and section 11 for more information.

### Class Description (continued)

	<b>Retail Class</b>	<b>Retail II Class</b>	<b>Z Class</b>	<b>Z 2 Class</b>
<b>Available Currencies</b>	USD, GBP, EUR, NOK, SEK, DKK, CHF, JPY, AUD, CAD, MXN, TRY**, BRL, SGD	USD, EUR, GBP, CHF	USD, EUR, GBP, CHF	USD, EUR, GBP, CHF
<b>Available to</b>	All investors	All investors	Certain distributors of the Investment Manager which purchase the Shares on behalf of their clients (with whom the distributors have entered into a fee based advisory and/or discretionary client agreement) and where, if applicable, the distribution agreement requires that such distributor (or its nominee) be or will be the registered holder of such Shares and/or where there is a regulatory requirement to invest in share classes without incentives and any other investor at the discretion of the Investment Manager, acting as the delegate and under the responsibility of the Management Company	Certain distributors of the Investment Manager which purchase the Shares on behalf of their clients (with whom the distributors have entered into a fee based advisory and/or discretionary client agreement) and where, if applicable, the distribution agreement requires that such distributor (or its nominee) be or will be the registered holder of such Shares and/or where there is a regulatory requirement to invest in share classes without incentives and any other investor at the discretion of the Investment Manager, acting as the delegate and under the responsibility of the Management Company
<b>Initial Price per Share</b>	US\$100 - EUR100 - GBP100 NOK100 - SEK 100 - DKK100 CHF100 - ¥10,000 - AUD100 TRY200 - CAD100 – MXN1,000 BRL-US\$100 – SGD100	US\$100 EUR100 GBP100 CHF100	US\$100 - EUR100 - GBP100 CHF100	US\$100 - EUR100 - GBP100 CHF100
<b>Dealing Days#</b>	Daily	Daily	Daily	Daily
<b>Deadline for submitting account opening application</b>	13:00 CET the Business Day prior to the relevant Valuation Day	13:00 CET the Business Day prior to the relevant Valuation Day	13:00 CET the Business Day prior to the relevant Valuation Day	13:00 CET the Business Day prior to the relevant Valuation Day
<b>Dealing deadline for subscriptions*</b>	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day
<b>Minimum Initial Subscription / Holding Amount**</b>	US\$5,000 - EUR5,000 - GBP3,000 NOK30,000 - SEK 30,000 DKK30,000 - CHF5,000 - ¥ 400,000 AUD5,000 – TRY9000 - CAD5000 MXN60,000 - BRL-US\$5,000 SGD5,000	US\$5,000 EUR5,000 GBP3,000 CHF5,000	US\$1,000,000 EUR1,000,000 GBP600,000 CHF1,000,000	US\$200,000,000 EUR200,000,000 GBP120,000,000 CHF200,000,000
<b>Minimum amounts for additional subscriptions**</b>	US\$500 - EUR500 - GBP300 NOK3,000 - SEK 3,000 - DKK3,000 CHF500 - ¥ 40,000 - AUD500 TRY900 - CAD500 - MXN6000 BRL-US\$500 - SGD500	US\$500 EUR500 GBP300 CHF500	US\$500 EUR500 GBP300 CHF500	US\$500 EUR500 GBP300 CHF500
<b>Minimum redemption amount</b>	N/A	N/A	N/A	N/A
<b>Sales Charge</b>	Max 5%	Max 5%	Max 5%	Max 5%
<b>Redemption Charge</b>	None	None	None	None
<b>Performance Fee##</b>	None	Yes	None	None
<b>Valuation Day for redemptions</b>	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day	13:00 CET on the relevant Valuation Day
<b>Distribution Policy###</b>	Accumulation or distribution	Accumulation or distribution	Accumulation or distribution	Accumulation or Distribution

\* Once the investor account is opened pursuant to the procedure set out in section 10.1.1.a) (Account opening procedure) above.

\*\* The Investment Manager, acting as the delegate and under the responsibility of the Management Company may from time to time waive any applicable minimum subscription amounts. The costs of the conversion of subscription proceeds received into the reference currency of the relevant Sub-Fund are borne by the relevant Share Classes provided always that all Shareholders of the relevant Classes are treated equally.

\*\* TRY Class is only available within the Ashmore SICAV Turkish Equity Fund and Ashmore SICAV Turkish Debt Fund.

# Please refer to the definition of "Business Day" in section 1.1. of the Prospectus.

## Please refer to Sub-Fund appendix and section 12 for more information.

### Please refer to Sub-Fund appendix and section 11 for more information.

### Class Description (continued)

	<b>Ashmore Source UCITS ETF Shares Class**</b>
<b>Available Currencies</b>	USD
<b>Available to</b>	Authorised Participants
<b>Initial Price per Share</b>	US\$100
<b>Dealing Days#</b>	Daily
<b>Deadline for submitting account opening application</b>	13:00 CET the Business Day prior to the relevant Valuation Day
<b>Dealing Deadline for subscriptions*</b>	13:00 CET on the relevant Valuation Day
<b>Minimum Initial Subscription / Holding Amount**</b>	US\$1,000,000
<b>Minimum amounts for additional subscriptions**</b>	US\$1,000,000
<b>Minimum redemption amount</b>	US\$1,000,000
<b>Sales Charge</b>	Max 5%
<b>Redemption Charge</b>	None
<b>Performance Fee##</b>	None
<b>Valuation Day for redemptions</b>	13:00 CET on the relevant Valuation Day
<b>Distribution Policy###</b>	Accumulation

\* Once the investor account is opened pursuant to the procedure set out in section 10.1.1.a) (Account opening procedure) above.

\*\* The costs of the conversion of subscription proceeds received into the reference currency of the relevant Sub-Fund are borne by the relevant Share Classes provided always that all Shareholders of the relevant Classes are treated equally.

\*\* This class of Shares is available as specified in the relevant Sub-Fund appendix under section 2 of the Prospectus. Please refer to section 10.2 of this Prospectus for further information on the Secondary Market for the Ashmore Source UCITS ETF Shares.

# Please refer to the definition of "Business Day" in section 1.1. of the Prospectus.

## Please refer to Sub-Fund appendix and section 12 for more information.

### Please refer to Sub-Fund appendix and section 11 for more information.

The Management Company may in its absolute discretion decide not to launch a Share Class and reject any subscriptions until subscriptions amounting to US\$ 5,000,000 in aggregate (or currency equivalent) have been received in such Share Class.

The Management Company may, at any time, decide to compulsorily redeem all Shares from a Shareholder whose holding is as a result of an application for partial redemption of his/her Shares less than the minimum holding amount specified in the table above or who consequently fails to satisfy any other applicable eligibility requirements set out above or stated in the Sub-Funds Appendix. In such case, the Shareholder concerned will receive one month prior notice so as to be able to increase his/her holding above such amount or otherwise satisfy the eligibility requirements.

#### *Eligibility for Institutional Classes of Shares*

The sale of Institutional Class Shares, Institutional II Class Shares and Institutional III Class Shares is restricted to Institutional Investors and the Fund will not issue or give effect to any

conversion or transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor. The Management Company may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Management Company will either redeem the relevant Shares in accordance with the provisions under 10.1.5. "Redemption of Shares" below, or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

#### *Ashmore Source UCITS ETF Shares*

Ashmore Source UCITS ETF Shares qualify as actively-managed exchange traded shares through their listing on one or more Relevant Stock Exchanges. As part of those listings there is an obligation on at least one member of the Relevant Stock Exchange to act as a Market Maker offering prices at which the Ashmore Source UCITS ETF Shares can be purchased or sold by investors on the Secondary Market. The spread between those purchase and sale prices may be monitored and regulated by the Relevant Stock Exchange authority. The Primary Market regarding the Ashmore Source UCITS ETF Shares is essentially relevant for the Authorised Participants of those Shares. Investors should refer to section 10.2 of this Prospectus for further information regarding the Secondary Market for the Ashmore Source UCITS ETF Shares.

#### **Classes Available**

The Classes of Shares available in each Sub-Fund will be set out in the Sub-Funds Appendix and in the Available Share Classes Document. These will be updated as new Sub-Funds or Classes become available.

#### **10.1.3 Listing of Shares**

##### **Institutional Class Shares, Institutional II Class Shares, Institutional III Class Shares, Retail Class Shares, Z Class Shares and Z 2 Class Shares**

The Institutional Class Shares, Institutional II Class Shares and Institutional III Class Shares, Retail Class Shares, Z Class Shares and Z 2 Class Shares of the Sub-Funds may be listed on the Luxembourg Stock Exchange as described more particularly in the Sub-Funds Appendix for the relevant Sub-Fund. If the Directors decide to create additional Sub-Funds or Classes they may, if they think appropriate, apply for the Shares in those Sub-Funds to be listed on the Luxembourg Stock Exchange. For so long as the Shares of any Sub-Fund are listed on the Luxembourg Stock Exchange, the Fund shall comply with the requirements of the Luxembourg Stock Exchange relating to those Shares. The listing agent is Banque et Caisse d'Épargne de l'État Luxembourg.

The eligibility requirements applicable to all holders of Shares in each Sub-Fund as contained in the Prospectus are collectively referred to as the "Eligibility Requirements".

Although the Shares are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Fund), the Eligibility Requirements will nevertheless apply to any party to whose Shares are transferred on the Luxembourg Stock Exchange.

The holding at any time of any Shares by a party which does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Shares by the Fund.

Secondary trading on the Luxembourg Stock Exchange will at all times be permitted and registered trades on the market are not able to be cancelled.

For the avoidance of doubt notwithstanding anything to the contrary in this Prospectus, but without prejudice to the Fund's right to compulsory redeem shares where applicable, nothing in this Prospectus may be construed as allowing infringement of the Luxembourg Stock Exchange regulations applicable to the transferability of Shares.

### **Ashmore Source UCITS ETF Shares**

Unless there is a statement to the contrary in the relevant Sub-Fund appendix, it is contemplated to have the Ashmore Source UCITS ETF Shares listed, and traded throughout the day, on at least one Relevant Stock Exchange with at least one Market Maker which takes action to ensure that the stock exchange value of such Shares does not significantly vary from their respective net asset value per Share, as calculated pursuant to section 16.5 of this Prospectus, and where applicable their respective Indicative NAV per Share (as defined in section 10.2 of the Prospectus). A list of the Relevant Stock Exchange(s) where the Ashmore Source UCITS ETF Shares are listed can be obtained from the registered office of the Fund as well as on <http://www.source.info>.

Investors should refer to section 10.2 of the Prospectus for further information regarding the Secondary Market for the Ashmore Source UCITS ETF Shares.

#### **10.1.4 Conversion of Shares**

Unless otherwise provided for in the Sub-Funds Appendix, and subject to any suspension of the determination of the net asset values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class denominated in the same currency or, only with the consent of the Management Company, denominated in another currency of that or another Sub-Fund, with the exception of the Ashmore Source UCITS ETF Shares for which conversions (into or from) are not permitted, by applying for conversion in the same manner as for the issue and redemption of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum subscription amount specified above, under "Minimum Subscription and Holding Amounts", the Investment Manager may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum subscription amount, the Shareholder may be deemed (if the Investment Manager so decides) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective net asset values of the two Classes concerned on the common Valuation Day on which the conversion request is accepted by the Management Company. Conversion requests must be received in good order prior to 13:00 CET on the common Valuation Day. Conversion requests received after that cut off time will be processed on the next following common Valuation Day.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the net asset value calculated on the next following Valuation Day of each of the two Classes concerned (provided that the request for such conversion has been received prior to 13:00 CET on the earlier of the respective Valuation Days).

Applications for the conversion of Shares should be made by fax, by telephone or in writing to the Management Company or, where indicated under “Information for Investors in Certain Countries” below, to one of the Sales Agents. Subject to approval of the Management Company, the term “in writing” in relation to application for the conversion of Shares shall include orders submitted by post, by way of SWIFT or other electronic means (including Application Forms submitted in a Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form) in accordance with the investors’ instructions on the Application Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors. Furthermore, telephone applications will be recorded.

Shareholders should note that while receipt of verification documents are pending, all transactions may be rejected or delayed.

The number of Shares issued upon conversion will be based upon the respective net asset value of the Shares of the relevant Sub-Funds on the Valuation Day on which the conversion is accepted and will be calculated as follows:

$$A = \frac{B \times C}{D}$$

- A is the number of Shares to be allocated in the new Sub-Fund/Class
- B is the number of Shares to be converted in the original Sub-Fund/Class
- C is the net asset value on the applicable Valuation Day of the Shares to be converted in the original Sub-Fund/Class
- D is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

After the conversion, the Management Company will inform the Shareholders as to the number of new Shares obtained as a result of the conversion as well as their net asset value.

A conversion charge of up to 1% of the net asset value of the Shares to be converted may be applied at the discretion of the Principal Sales Agent provided however that equal treatment of the Shareholders is being observed by applying the same percentage to all conversion orders received for the same Valuation Day. The conversion charge (if any) will be applied for the benefit of the Classes or Sub-Funds between which the conversion is effected as appropriate to cover the costs of any transactions arising from the conversion and shall be deducted from the redemption proceeds from the Class of Shares being redeemed prior to such proceeds being reinvested.

Additionally, if requests for conversions (including redemptions) of more than 10% of the total number of Shares in issue of any Sub-Fund are received on any Valuation Day, the Management Company may decide that conversions shall be postponed on a pro rata basis until the next Valuation Day following that on which the relevant conversion requests were received, so that the 10% limit is not exceeded. Conversion requests which have not been dealt with because of such postponement must be given priority as if the request had been made for the next following Valuation Day until completion of full settlement of the original requests. The



limitation will be applied pro rata to all Shareholders who have requested conversions to be effected at such Valuation Day so that the proportion converted is the same for all Shareholders.

Conversions of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund (see “General Information – Temporary Suspension of Issues, Redemptions and Conversions”).

#### **10.1.5 Redemption of Shares on the Primary Market**

Any Shareholder may apply by fax, by telephone or in writing, or per the Shareholder’s instruction on the Application Form, for redemption of his/her Shares in part or in whole on any Business Day. Subject to approval of the Management Company, the term “in writing” in relation to redemption orders shall include orders submitted by post, by way of SWIFT or other electronic means (including Application Forms submitted in a Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form) in accordance with the Shareholders’ instructions on the Application Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors. Furthermore, telephone applications will be recorded.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on the basis of the net asset value per Share of the relevant Class determined on a given Valuation Day, provided that the application is received by the Management Company or the relevant Sales Agent not later than 13:00 CET, on the same Valuation Day (unless otherwise provided for in the terms of each Sub-Fund in Section 2 ‘Sub-Funds Appendix’). Applications received after that cut off time will be processed on the next following Valuation Day.

Shareholders should note that while pending receipt of verification documents required under the anti-money laundering law and regulations, all transactions may be rejected or delayed. The Management Company reserves the right to reject any application for redemption not received in good order.

Redemption payments will be made in the reference currency of the relevant Class and the Depositary will issue payment instructions therefore to its correspondent bank for payment no later than three Business Days after calculation of the net asset value used to determine such payment (unless otherwise provided for in the terms of each Sub-Fund in Section 2 ‘Sub-Funds Appendix’).

If, as a result of a redemption, the value of a Shareholder’s holding would become less than the relevant minimum subscription amount, that Shareholder may be deemed (if the Investment Manager so decides) to have requested redemption of all of his Shares.

Shareholders are required to notify the Management Company or the relevant Sales Agent immediately in the event that they become US Persons or hold Shares for the account or benefit of US Persons or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or otherwise be detrimental to the interests of the Fund. If the Management Company becomes aware that a Shareholder (a) is a US Person or is holding Shares for the account or benefit of a US Person, (b) is holding Shares in breach of any law or regulation or otherwise, in either case in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or otherwise be detrimental to the interests of the Fund, or for ERISA matters described under sub-section



“ERISA and Other Employee Benefit Plan Considerations” of section 3.2 “This Prospectus”, the Management Company may, unless otherwise agreed, compulsorily redeem the Shares in accordance with the provisions of the Articles of Incorporation. Except as otherwise described within a Sub-Fund’s Appendix, the Fund intends to exercise its power to compulsorily redeem a Shareholder (in whole or in part) from the relevant Sub-Fund if it becomes necessary to ensure that Benefit Plan Investors hold less than 25% (or such other threshold that the Board deems appropriate) of the total value of each Share Class in the relevant Sub-Fund.

Additionally, if requests for redemption (including conversion) of more than 10% of the total number of Shares in issue of any Sub-Fund are received in respect of a Valuation Day, subject to the restrictions specified above, the Management Company may decide that such redemption requests shall be postponed on a pro rata basis until the next Valuation Day following that in respect of which the relevant redemption requests were received, so that the 10% limit is not exceeded. Redemption requests which have not been dealt with because of such postponement will be given priority as if the requests had been made for the next following Valuation Day until completion of full settlement of the original requests. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected at such Valuation Day so that the proportion converted is the same for all shareholders.

Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund (see section 16.6. “Temporary Suspension of Issues, Redemptions and Conversions”).

A Shareholder may not withdraw his request for redemption of Shares of any one Class except in the event of a suspension of the determination of the net asset value of the Class and, in such event, a withdrawal will be effective only if written notification is received by the Management Company or the relevant Sales Agent before the termination of the period of suspension. If the redemption request is not withdrawn, the Management Company shall proceed to redeem on the first applicable Valuation Day following the end of the suspension of the determination of the net asset value of the Shares of the relevant Sub-Fund.

From time to time it may be necessary for the Fund to borrow on a temporary basis to fund redemptions or subscriptions where subscription monies are anticipated. For restrictions applicable to the Fund’s ability to borrow, see section 6. “Investment Restrictions”.

The Fund shall have the right, if the Board of Directors so determines, to satisfy payment of the redemption price to any Shareholder who agrees, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Class or Classes of Shares equal in value as of the Valuation Day, on which the redemption price is calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares of the relevant Class or Classes of Shares and the valuation used shall be confirmed by a special report of the Auditors of the Fund. The costs of any such transfers shall be borne by the transferee.

#### **10.1.6 Transfer of Shares**

The transfer of registered Shares may normally be effected by delivery to the relevant Sales Agent or the Management Company of an instrument of transfer in appropriate form. On receipt of the transfer request, the Management Company or the relevant Sales Agent may, after

reviewing the endorsement(s), require that the signature(s) be guaranteed by an approved bank, stockbroker or public notary.

No transfer may be made which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares valued at less than the minimum holding amount applicable to the relevant Sub-Fund. The Investment Manager, acting as the delegate — and under the responsibility — of the Management Company, may waive the minimum holding amount applicable to the relevant Sub-Fund.

Shareholders are advised to contact the Management Company or the relevant Sales Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

## **10.2 Secondary Market for the Ashmore Source UCITS ETF Shares**

The Secondary Market for the Ashmore Source UCITS ETF Shares is the market on which the Ashmore Source UCITS ETF Shares can be purchased and/or sold directly on the Relevant Stock Exchanges.

### **10.2.1 Listing on a Relevant Stock Exchange**

The intention of the Fund is to have the Ashmore Source UCITS ETF Shares listed, and traded throughout the day, on at least one Relevant Stock Exchange with at least one Market Maker which takes action to ensure that the stock exchange value of these Shares does not significantly vary from their respective net asset value per Share, as calculated pursuant to section 16.5 of this Prospectus (hereinafter referred to as the “NAV per Share”), and where applicable their respective Indicative NAV per Share (as defined in section 10.2.3. below). A list of the Relevant Stock Exchanges where the Ashmore Source UCITS ETF Shares can be bought and sold can be obtained from the registered office of the Fund as well as on <http://www.source.info>.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Ashmore Source UCITS ETF Shares for investment or for any other purpose.

### **10.2.2 Purchase and sale procedure on the Secondary Market**

#### **Purchase and sale procedure**

Through the listing on one or more Relevant Stock Exchanges, the Ashmore Source UCITS ETF Shares will be exchange traded on the Secondary Market. Upon such listings there is an expectation that at least one member of the Relevant Stock Exchanges will act as a Market Maker and provide offer and bid prices at which the Ashmore Source UCITS ETF Shares can be purchased or sold, respectively, by investors in accordance with the requirements, the rules and the dealing timetable of the Relevant Stock Exchange. The spread between such bid and offer prices is typically monitored by the Relevant Stock Exchange. Certain Authorised Participants who subscribe for the Ashmore Source UCITS ETF Shares on the Primary Market may act as Market Makers; other Authorised Participants are expected to subscribe for the Ashmore Source UCITS ETF Shares on the Primary Market in order to be able to offer to buy such Shares from or

sell them to their customers on the Secondary Market as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem the Ashmore Source UCITS ETF Shares on the Primary Market, a liquid and efficient Secondary Market may develop over time on one or more Relevant Stock Exchanges as they meet Secondary Market demand for such Shares. Through the operation of such a Secondary Market, investors who are not Authorised Participants will be able to buy the Ashmore Source UCITS ETF Shares from or sell them to other Secondary Market investors or Market Makers, broker/dealers, or other Authorised Participants in accordance with the rules of the Relevant Stock Exchange at prices which should approximate, after currency conversion as the case may be, the NAV per Share of such Shares.

Trading in the Ashmore Source UCITS ETF Shares on the Secondary Market should, in the ordinary course of business, be made via an Authorised Participant. The settlement of trades in the Ashmore Source UCITS ETF Shares on the Secondary Market will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Relevant Stock Exchange.

For all purchase and/or sales of the Ashmore Source UCITS ETF Shares on the Secondary Market, no minimum purchase and/or sale amount is required other than the minimum that may be required by the Relevant Stock Exchange.

The Fund will not charge any purchase or sale fee in relation to the purchase or sale of the Ashmore Source UCITS ETF Shares on the Secondary Market. However, such orders may incur brokerage and/or other costs which are not charged by the Fund and over which the Fund has no control. Investors are invited to contact their relevant intermediary about these eventual costs and for details of the rules and dealing timetable on the Relevant Stock Exchanges.

The Ashmore Source UCITS ETF Shares which are purchased on the Secondary Market cannot usually be redeemed directly from the Fund. Such Shares are normally bought and sold on the Secondary Market with the assistance of an intermediary (e.g. a stockbroker or other investment broker) and investors may incur fees for doing so. In addition, investors may pay more (receive less) than the current NAV per Share when purchasing (selling) the Ashmore Source UCITS ETF Shares on the Secondary Market.

### **Suspension of the Secondary Market**

In the event of a Suspension of the Secondary Market (as defined below), the Management Company will allow a Secondary Market Shareholder (who is not an Authorised Participant) to redeem its Ashmore Source UCITS ETF Shares on the Primary Market at the NAV per Share in accordance with the provisions set out in section 10.1.5 of the Prospectus.

**“Suspension of the Secondary Market”** means any situation where it is impossible for Secondary Market Shareholders to sell their Ashmore Source UCITS ETF Shares on all the Relevant Stock Exchanges where these are listed for a period of at least three consecutive Business Days since the occurrence of (i) the suspension of quotation by the market operator or (ii) the impossibility to trade observed by all Secondary Market Shareholders on the Relevant Stock Exchange, and which is based on either:

- The significant variation (as determined by the Management Company in its sole discretion) of the stock exchange value of the considered Ashmore Source UCITS ETF Shares in comparison with their NAV per Share;

- The lack of Authorized Participants, or the inability by the Authorized Participants to meet their commitment to conduct their business by means of a permanent presence on the market, thus making it impossible to trade the considered Ashmore Source UCITS ETF Shares on the Relevant Stock Exchanges to which such Shares are admitted.

If, in the view of the Management Company, a Suspension of the Secondary Market exists, the Management Company shall notify the Relevant Stock Exchange(s) of the decision to extend the Primary Market (the “**Extended Primary Market Notification**”) for any considered Ashmore Source UCITS ETF Share, and present the redemption procedure to be followed by Secondary Market Shareholders in those circumstances and the terms of acceptance of such redemption. Redemption orders initiated in case of Suspension of the Secondary Market shall be sent by any considered Secondary Market Shareholder to the Management Company in accordance with the procedure set out in the Extended Primary Market Notification. Such redemption orders will be processed in accordance with the provisions of section 10.1.5 of the Prospectus subject to completion and provision of certain documentation including anti-money laundering and terrorist financing checks.

Redemption orders initiated in case of Suspension of the Secondary Market will not be subject to a redemption fee or to the minimum redemption amount set out for the Ashmore Source UCITS ETF Shares in section 10.1.2 of the Prospectus and will be dealt with at the NAV per Share less applicable fees and costs (which shall not be excessive). Such orders may however involve additional constraints, delays or brokerage and/or other costs not charged by the Fund and over which the Fund has no control, and Secondary Market Shareholders are invited to contact their relevant intermediary in order to obtain additional information about those eventual constraints and/or costs.

The Management Company may at its complete discretion determine that the Suspension of the Secondary Market is of a long term nature and is unable to be remedied. In that case, the Management Company may resolve to compulsorily redeem Shareholders and may subsequently terminate the considered Ashmore Source UCITS ETF Share.

### **10.2.3 Intra-Day Value Per Share**

The Management Company may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day value per Share (the “Indicative NAV per Share”) for one or more Ashmore Source UCITS ETF Shares. If the Management Company makes such information available on any Business Day, the Indicative NAV per Share will be calculated based upon information available during the trading day or any portion of the trading day and will ordinarily be based upon the current value of the assets/exposures, adjusted by the relevant foreign exchange rate, as the case may be, of the Sub-Fund in effect on such Business Day, together with any cash amount in the relevant Sub-Fund as at the previous Business Day. The Management Company or its designee will make available an Indicative NAV per Share if this is required by (and at the frequency required by) any Relevant Stock Exchange.

Any Indicative NAV is not, and should not be taken to be or relied on as being, the value of a Ashmore Source UCITS ETF Share or the price at which the latter may be subscribed for or redeemed, or purchased or sold on any Relevant Stock Exchange, in particular, where the assets of the relevant Sub-Fund are not actively traded during the time of publication of such

Indicative NAV per Share. The inability of the Management Company or its designee to provide an Indicative NAV per Share, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Ashmore Source UCITS ETF Shares on a Relevant Stock Exchange, which will be determined by the rules of such Relevant Stock Exchange in such circumstances.

Investors on the Secondary Market should be aware that the calculation and reporting of any Indicative NAV per Share may reflect time delays in the receipt of the relevant constituent asset prices in comparison to other calculated values based upon the same constituent assets. An inaccuracy in the Indicative NAV per Share could result from various factors, including the difficulty of pricing the Sub-Fund's assets on an intra-day basis. Investors interested in buying for or selling Ashmore Source UCITS ETF Shares on a Relevant Stock Exchange should not rely solely on any Indicative NAV per Share which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the portfolio of the relevant Sub-Fund).

None of the Fund, the Directors, the Management Company, the (sub-)Investment Managers, any Authorised Participant and the other service providers shall be liable to any person who relies on the Indicative NAV per Share.

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## 11 DIVIDEND POLICY

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The Board of Directors may issue Distribution Shares (inc) and Accumulation Shares (acc) within each Sub-Fund, as described in the relevant Sub-Fund appendix and in the Available Share Classes Document. The difference between Accumulation Shares and Distribution Shares lies in the different distribution policies.

### 11.1 Distribution Shares

The Fund intends to distribute all dividends, interest and other available income of the Distribution Shares of the Sub-Funds, net of all fees and other expenses.

Distributions will either be declared as annual dividends by the annual general meeting of Shareholders of the Fund or as interim dividends by the Board of Directors.

Dividends may be paid by the Fund more frequently in respect of some or all Share Classes, from time to time, or be paid at different times of the year to those listed below, as deemed appropriate by the Directors.

Payment of dividends on **annual Distribution** Shares will normally be made by the last Valuation Day in February in each year (“the Payment Date”) to Shareholders on the register of Shareholders of the respective Sub-Fund on the ex-dividend date which will be on or around the first Valuation Day in January in each year.

**Monthly distributions** will be calculated based on the net asset value on the last Valuation Day of each month. The distribution will become payable on the first Business Day, and payment will be made on the tenth Business Day (the “Payment Date”), of the following month.

Income equalisation arrangements may be applied in the case of Shares in some or all the Sub-Funds. Where they are applied these arrangements are intended to ensure that the income per Share which is distributed or deemed distributed in respect of a distribution period is not affected by changes in the number of Shares in issue during that period.

Unless a Shareholder otherwise requests in writing, distributions will be applied on the Payment Date in acquiring additional Shares of the relevant Class (free of any sales charge) on his behalf. Dividends may only be paid if, after the deduction of such dividend, the Fund’s capital is greater than the minimum capital required by Luxembourg law.

It is intended that the Sub-Funds, will apply in respect of each of their accounting periods to be certified as distributing or reporting sub-funds for the purposes of United Kingdom taxation.

### 11.2 Accumulation Shares

Shareholders holding Accumulation Shares will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Accumulation Shares.

Income equalisation arrangements may be applied in the case of Shares in some or all the Sub-Funds. Where they are applied these arrangements are intended to ensure that the income per Share which has accrued in respect of a distribution period is not affected by changes in the number of Shares in issue during that period.



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**12 FEES AND EXPENSES**

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**12.1. Fees to be paid to the Management Company**

**Management Company Fee:** In consideration for its management company and fund administration services, the Management Company is entitled to receive out of the assets of each Sub-Fund a monthly fee not exceeding 0.05% calculated on the basis of the average net asset value of the Sub-Fund determined at the end of each month.

**12.2. Fees to be paid to the Investment Manager and Principal Sales Agent****Management Fee**

The Investment Manager is entitled to receive out of the assets of each Sub-Fund a Management Fee at an annual rate expressed as a percentage of the net asset value of any Class of Shares of a Sub-Fund and as determined in the Sub-Funds Appendix, payable monthly in arrears based on the average daily net asset value from the prior day, adjusted for subscriptions and redemptions, of the relevant Class of Shares.

If a Sub-Fund invests in the units, shares or debt instruments of any other Ashmore Funds or any other investment funds managed directly or indirectly by an Ashmore Associate, the Investment Manager shall apply the following policy in respect of the Management Fee and Performance Fee due to it in respect of the relevant Sub-Fund and any subscription or other initial or disposal charges that the Ashmore Associates may be entitled to in respect of such Shares:

- The Investment Manager shall procure that the relevant Ashmore Associate will not charge any subscription, initial or disposal charges that it is entitled to charge for its own account in relation to the acquisition or disposal of each such investment.
- The Investment Manager shall not charge any Management Fee in respect of that proportion of the net asset value of the relevant Sub-Fund that corresponds to the aggregate value of the Sub-Fund's investment, if any, in the Ashmore Funds provided that (i) if the Management Fee the Investment Manager is entitled to in respect of the relevant Sub-Fund is greater than the management or advisory fee an Ashmore Associate is entitled to in respect of any Ashmore Fund in which the relevant Sub-Fund invests, then in respect of each such investment the Investment Manager shall charge the difference between the Management Fee that it would otherwise be entitled to in respect of the net asset value of the relevant Sub-Fund that corresponds to the respective investment in the relevant Ashmore Fund and the respective management or advisory fee due to the Ashmore Associate in respect of the relevant Ashmore Fund; and (ii) if the Management Fee the Investment Manager is entitled to in respect of the relevant Sub-Fund is lower than the management or advisory fee an Ashmore Associate is entitled to in respect of any Ashmore Fund in which the relevant Sub-Fund invests, then in respect of each such investment the Ashmore Associate shall be entitled to the full management or advisory fee due to it in respect of the relevant Ashmore Fund (including in relation to the Sub-Fund's Investment). The Management Company will, however, calculate the Performance Fee, if any, due in respect of the relevant Sub-Fund in full, notwithstanding that any Ashmore Associate may be entitled to an incentive or performance fee in respect of an Ashmore Fund in which the Sub-Fund invests.



If a Sub-Fund (the “**Investing Sub-Fund**”) invests in the shares of other Sub-Funds (the “**Target Sub-Fund**”) in accordance with the terms of the Prospectus, the Investment Manager shall apply the following policy in respect of the Management Fee and Performance Fee due to it in respect of the Investing Sub-Fund and any subscription or other initial or disposal charges that Investment Manager may be entitled to in respect of such Shares:

- The Investment Manager will not charge any subscription, initial or disposal charges (including any redemption or conversion charges) that it is entitled to charge for its own account in relation to the acquisition or disposal of each such investment.
- The Investment Manager shall not charge any Management Fee in respect of that proportion of the net asset value of the Investing Sub-Fund that corresponds to the aggregate value of the Investing Sub-Fund’s investment, if any, in another Sub-Fund provided that (i) if the Management Fee the Investment Manager is entitled to in respect of the Investing Sub-Fund is greater than the management or advisory fee the Investment Manager is entitled to in respect of the Target Sub-Fund, then in respect of each such investment the Investment Manager shall charge the difference between the Management Fee that it would otherwise be entitled to in respect of the net asset value of the Investing Sub-Fund that corresponds to the respective investment in the relevant Target Sub-Fund and the respective management or advisory fee due to the Investment Manager in respect of the Target Sub-Fund; and (ii) if the Management Fee the Investment Manager is entitled to in respect of the Investing Sub-Fund is lower than the Management Fee the Investment Manager is entitled to in respect of the Target Sub-Fund, then in respect of each such investment the Investment Manager shall be entitled to the full management or advisory fee due to it in respect of the Target Sub-Fund. The Management Company will, however, calculate the Performance Fee, if any, due in respect of the Investing Sub-Fund in full, notwithstanding that the Investment Manager may be entitled to an incentive or performance fee in respect of the Target Sub-Fund.

This section represents the Investment Manager’s policy regarding fees at the date of this Prospectus which may be amended, from time to time.

Notwithstanding the above, the provisions relating to charging of management fees shall not apply to investments made by a Sub-Fund in other Ashmore Funds or in other investment funds managed by an Ashmore Associate (except for another Sub-Fund) for purposes other than the implementation of the core investment objective and policies of the relevant Sub-Fund. Such Ashmore Funds or other investment funds managed by an Ashmore Associate may include, without limitation, money market funds or other similar funds in which the Sub-Fund might make shorter term or temporary investments for the purposes of efficient cash management, and in respect of which an Ashmore Associate receives a reasonable arm’s length fee.

When a Sub-Fund qualifying as a feeder fund (the “Feeder”) of a UCITS or of a compartment of such UCITS (the “Master”) invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund’s investment in the shares/units of the Master.

Should a Sub-Fund qualify as Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund’s

Appendix. In its annual report, the Fund shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a master fund of another UCITS (the “Feeder”), the Feeder fund will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

### **Performance Fee**

The Investment Manager may also be entitled to receive a Performance Fee in respect of the Performance Fee Share Classes, calculated as set out at sections “Type A” and “Type B” below. The Performance Fee payable on each Performance Fee Share Class will be paid by such Performance Fee Share Class to the Investment Manager.

The Performance Fee in respect of each Performance Fee Share Class will be calculated, and shall accrue (if applicable), on a daily basis as at each Valuation Day during each Performance Period.

The Performance Fee is normally payable to the Investment Manager in arrears within 90 calendar days of the end of each Performance Period. However, in the case of any Shares redeemed or converted, during a Performance Period, the accrued Performance Fee in respect of those Shares will be crystallised and set aside for payment to the Investment Manager within 14 calendar days after quarter end following the date of redemption or conversion.

If the Investment Management Agreement is terminated before the end of any Performance Period, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

If a Performance Fee Share Class or the relevant Sub-Fund in which such Performance Fee Share Class is available is closed before the end of a Performance Period, the Performance Fee in respect of the Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

- **Type A – Performance Fee methodology**

The Performance Fee for the Performance Fee Share Class is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares the performance of which has exceeded the Benchmark as specified in the relevant Sub-Fund appendix, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same net asset value per Share.

If at the end of the relevant Performance Period, the performance of the net asset value per Share of a Performance Fee Share Class exceeds the Benchmark Net Asset Value per Share (as defined below), a Performance Fee of the per cent indicated in the relevant Sub-Fund appendix shall be chargeable on the amount which exceeds the Benchmark. For the avoidance of doubt, the Performance Fee will be payable on the relative return of the Performance Fee Share Class against the Benchmark. Furthermore, the Performance Fee is payable on the outperformance of the Benchmark and not the net asset value per Share. The Performance Fee

shall also be payable in the event of negative performance by the Performance Fee Share Class, provided that such Performance Fee Share Class has outperformed the Benchmark over the Performance Period.

A Performance Fee shall only be paid to the Investment Manager if the net asset value per Share of a Performance Fee Share Class exceeds that Share's Benchmark Net Asset Value per Share (as defined below). In respect of each Performance Fee Share Class, the Benchmark net asset value per Share (the "**Benchmark Net Asset Value per Share**") for the first Performance Period shall be the initial offer price increased by the Benchmark during the Performance Period. For subsequent Performance Periods it will be the greater of (i) the Net Asset Value per Share at the end of the previous Performance Period and (ii) the Benchmark Net Asset Value per Share at the end of the previous Performance Period, with whichever is the greater, increased by the Benchmark during the Performance Period. The Performance Fee in respect of each Performance Period will be calculated by reference to the net asset value before deduction for any accrued Performance Fee.

The use of a Benchmark Net Asset Value per Share ensures that shareholders will not be charged a Performance Fee until any previous shortfalls relative to the Benchmark Net Asset Value per Share are recovered.

Any underperformance against the Benchmark in a given Performance Period shall be cleared before any Performance Fee becomes payable in the following Performance Period. For the avoidance of doubt, any Performance Fee payable in relation to a given Performance Period will not be clawed back.

### **Adjustments**

If an investor subscribes for a Performance Fee Share Class at a time when the net asset value per Share of the relevant Performance Fee Share Class is other than the Benchmark Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to that shareholder or the Investment Manager.

1. If such Shares are subscribed for at a net asset value per Share that is less than the Benchmark Net Asset Value per Share of the relevant Performance Fee Share Class, the investor will be required to pay a Performance Fee with respect to any subsequent performance of those Shares in excess of their own Benchmark Net Asset Value per Share calculation up to the Benchmark Net Asset Value per Share of the relevant Performance Fee Share Class. The Performance Fee will be charged at the end of each Performance Period by redeeming at the then current net asset value per Share such number of the investor's Shares of the relevant Performance Fee Share Class that have an aggregate net asset value per Share (after accrual for any Performance Fee) equal to the per cent indicated in the relevant Sub-Fund Appendix for the relevant Performance Fee Share Class of any such performance (a "**Performance Fee Redemption**"). An amount equal to the aggregate net asset value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee and the Sub-Fund will not be required to pay to the Shareholder the redemption proceeds in respect of such Shares, being the aggregate net asset value thereof. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform net asset value per Share of each Performance Fee Share Class. As regards the investor's remaining Shares of that Performance Fee Share Class, any performance in the net asset value per Share of those Shares above the Benchmark Net Asset Value per Share of that Performance Fee Share Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a net asset value per Share that is greater than the Benchmark Net Asset Value per Share of the relevant Performance Fee Share Class, the investor will be required to pay an amount in excess of the then current net asset value per Share of that Performance Fee Share Class equal to the per cent indicated in the relevant Sub-Fund Appendix for the relevant Performance Fee Share Class of the difference between the relevant Benchmark Net Asset Value per Share and the then current net asset value per Share of that Performance Fee Share Class (before accrual for the Performance Fee) (an “**Equalisation Credit**”). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Performance Fee Share Class in the relevant Sub-Fund. The Equalisation Credit is payable to account for the fact that the net asset value per Share of that Performance Fee Share Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Performance Fee Share Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Performance Fee Share Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Performance Fee Share Class subsequent to the issue of the relevant Shares.

At the end of each Performance Period, if the net asset value per Share of a Performance Fee Share Class (before accrual for the Performance Fee) exceeds the Benchmark Net Asset Value per Share of that Class, that portion of the Equalisation Credit available for the relevant Performance Fee Share, multiplied by the number of Shares of that Performance Fee Share Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Performance Fee Share Class will continue to be so subscribed for at the end of each Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Performance Fee Share Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Performance Fee Share Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Performance Fee Share Class being redeemed and the denominator of which is the number of Shares of that Performance Fee Share Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Where Performance Fees are payable by the Performance Fee Share Classes, these will be based on net realised and net unrealised gains and losses at the end of each Performance Period.

- **Type B – Performance Fee methodology**

The Performance Fee for the Performance Fee Share Class is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee, which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares the performance of which has exceeded the Hurdle Rate as specified in the relevant Sub-Fund appendix, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same net asset value per Share.

If at the end of the relevant Performance Period, the performance of the net asset value per Share of a Performance Fee Share Class exceeds the Hurdle Net Asset Value per Share (as defined below), a Performance Fee of the per cent indicated in the relevant Sub-Fund appendix shall be chargeable on the amount which exceeds the Hurdle Net Asset Value per Share during that Performance Period. For the avoidance of doubt, the Performance Fee will be payable on the return of the Performance Fee Share Class in excess of the Hurdle Net Asset Value per Share (as defined below).

In respect of each Performance Fee Share Class, the Hurdle net asset value per Share (the "**Hurdle Net Asset Value per Share**") shall be the greater of (i) the initial offer price and (ii) the highest net asset value per Share of such Performance Fee Share Class in effect immediately after the end of any previous Performance Period, increased by the Hurdle Rate during the Performance Period. The Performance Fee in respect of each Performance Period will be calculated by reference to the net asset value before deduction for any accrued Performance Fee.

For the avoidance of doubt, the Hurdle Net Asset Value per Share is not cumulative. Any underperformance of the Share Class versus the Hurdle Net Asset Value per Share in a Performance Period will not be carried forward to the subsequent Performance Period.

### **Adjustments**

If an investor subscribes for a Performance Fee Share Class at a time when the net asset value per Share of the relevant Performance Fee Share Class is other than the Hurdle Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to that investor or the Investment Manager.

1. If such Shares are subscribed for at a net asset value per Share that is less than the Hurdle Net Asset Value per Share of the relevant Performance Fee Share Class, the investor will be required to pay a Performance Fee with respect to any subsequent performance of those Shares in excess of their own Hurdle Net Asset Value per Share calculation up to the Hurdle Net Asset Value per Share of the relevant Performance Fee Share Class. The Performance Fee will be charged at the end of each Performance Period by redeeming at the then current net asset value per Share such number of the investor's Shares of the relevant Performance Fee Share Class that have an aggregate net asset value per Share (after accrual for any Performance Fee) equal to the percentage as specified in the relevant Sub-Fund appendix of any such performance (a "**Performance Fee Redemption**"). An amount equal to the aggregate net asset value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee and the Sub-Fund will not be required to pay to the Shareholder the redemption proceeds in respect of such Shares, being the aggregate net asset value thereof. Performance Fee Redemptions are employed to ensure that the Fund maintains a

uniform net asset value per Share for the relevant Performance Fee Share Class. As regards the investor's remaining Shares of that Class, any performance in the net asset value per Share of those Shares above the Hurdle Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a time a net asset value per Share that is greater than the Hurdle Net Asset Value per Share of the relevant Performance Fee Share Class, the investor will be required to pay an amount in excess of the then current net asset value per Share of the relevant Performance Fee Share Class equal to the percentage as specified in the relevant Sub-Fund appendix of the difference between the relevant Hurdle Rate Net Asset Value and the then current net asset value per Share of the Class (before accrual for the Performance Fee) (an "Equalisation Credit"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the Class in the Fund. The Equalisation Credit is payable to account for the fact that the net asset value per Share of the Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Performance Fee Share Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares.

At the end of each Performance Period, if the net asset value per Share of a Performance Fee Share Class (before accrual for the Performance Fee) exceeds the Hurdle Net Asset Value per Share of that Class, that portion of the Equalisation Credit for the relevant Performance Fee Share, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Performance Fee Share Class for the Shareholder. Additional Shares of that Performance Fee Share Class will continue to be so subscribed for at the end of each Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Performance Fee Share Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Performance Fee Share Class being redeemed and the denominator of which is the number of Shares of that Performance Fee Share Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Where Performance Fees are payable by the Performance Fee Share Classes, these will be based on net realised and net unrealised gains and losses at the end of each Performance Period.



## **Sub-Managers**

The Sub-Managers are entitled to a management fee payable by the Investment Manager out of its own assets.

### **12.3 Soft Commission Arrangement**

The Investment Manager's internal compliance policy is to not accept goods or services under any soft commission agreement or any other soft commission arrangements.

### **12.4 Depository's Fees**

In consideration for its services, the Depository is entitled to a monthly fee paid out of the assets of each Sub-Fund, not exceeding 0.01% calculated on the basis of the average daily net asset value of the Sub-Fund determined at the end of each month. Notwithstanding such fees, the Depository will receive customary banking fees for transactions.

### **12.5 Director's Fees**

Each Director of the Fund is entitled to receive a fee of \$15,000 net of withholding tax per annum plus reimbursement of reasonable travel and other costs incurred in connection therewith. Such fees may be amended from time to time by a resolution of the general meeting of Shareholders and will be disclosed in the annual report of the Fund.

### **12.6 Other Fees and Expenses**

Unless otherwise provided for with respect to a particular Sub-Fund, the Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees and expenses payable to its Management Company, Investment Manager, Placement Agent and any Sales Agent, fees and expenses payable to its Auditors and accountant, Depository and its correspondents, the listing agent (if any), any permanent representatives in places of registration (if any), as well as any other agent employed by the Fund, the remuneration of the Directors and officers of the Fund and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund in any market or with any governmental or regulatory agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing and distributing Prospectuses, explanatory memoranda, periodical reports or registration statements, other promotional expenses and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. All fees which are charged to the Fund are accrued on each Valuation Day.

### **12.7 Formation and Launch Expenses of the Fund**

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares by the Fund, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses (including advertising costs) and preliminary expenses have been estimated not to exceed approximately US\$175,000. They



are being written off over a period not exceeding five years from the formation of the Fund on a straight line basis.

#### **12.8 Formation and Launch Expenses of Additional Sub-Funds**

Charges relating to the creation of a new Sub-Fund shall be written off during its first accounting period. The newly created Sub-Fund shall not bear a pro rata share of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

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**13 RISK FACTORS**

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**13.1 General Risk Consideration**

An investment in the Fund involves certain risks. The investments within each Sub-Fund are subject to the risk that the net asset value per Share of each Sub-Fund will fluctuate in response to changes in economic conditions, interest rates, and the market's perception of the securities held by the Sub-Funds; accordingly, no assurance can be given that the investment objectives will be achieved.

The Shares are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or conversions in and out of the Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Management Company will apply "swing pricing" as part of its valuation policy. This will mean that in certain circumstances (as further described in section 16.5.b. 'Net asset value adjustment ("Swing Pricing")' of the Prospectus) the Management Company will make adjustments in the calculation of the net asset values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

**13.2 Specific Risk Factors**

**Described below are certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed capital markets of North America, Japan or Western Europe. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital markets structures or to a free market economy means investing in these countries is more risky than investing in developed markets. These risks are likely to exist to a greater or lesser degree in most of the markets in which the Fund may invest.**

**Political and Economic Risks**

The value of Shares and the income generated by the Fund may be affected by uncertainties in Emerging Markets such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

**Regulatory Risk**

The issuers or assets in which the Fund may invest may be or become subject to unduly burdensome and restrictive regulation affecting commercial freedom and this in turn may have an adverse impact on the value of the Fund and therefore the value of the Shares. Over-regulation may therefore be a form of indirect nationalisation.

## **Nature of Investments and Market Risks**

The investments which may be made by the Fund carry risks not usually associated with investing in securities or financial derivative instruments in more developed markets. The Fund is likely to experience greater price volatility and lower liquidity than if invested in more developed markets. With nascent capital markets in many of the Emerging Markets in which the Fund may invest, there are often difficulties in meeting investor demand for the available debt and/or equity securities. This can lead to primary issues and auctions of debt and/or equity securities being over subscribed.

The Investment Manager may seek to invest in US Dollar or other freely convertible currency denominated debt and/or equity securities or financial derivative instruments so that the Fund is exposed to the relevant Emerging Market albeit through a freely convertible currency and not the Emerging Market local currency. Alternatively, the Investment Manager may elect to invest in Emerging Market denominated debt and/or equity securities or Emerging Market local currency financial derivative instruments.

Debt and/or equity obligations acquired by the Fund may have no credit rating or a low rating. Such securities may involve greater risks of loss of income and principal than rated or higher-rated securities and are more speculative in nature. Although they may offer higher yields than do higher-rated securities, they generally involve greater price volatility and greater risk of default in payment of principal and income.

The use of products such as credit-linked notes and swaps can overcome problems and mitigate certain risks associated with direct investment in the underlying obligations. Such products expose the Fund to counterparty and other risks (as summarised below).

No assurance can be given that investments acquired by the Fund will continue to earn yields comparable to those earned historically, nor can any assurance be given that issuers whose obligations the Fund acquires will make payments on such obligations as they become due.

## **Lack of Market Economy**

Businesses in the Emerging Markets where the Fund will invest either directly or indirectly may only have a recent history of operating within a market-oriented economy or under the pressures imposed by developing countries. In general, relative to companies operating in developed economies, companies in these Emerging Markets are characterised by a lack of (i) experienced management, (ii) modern technology and (iii) a sufficient capital base with which to develop and expand their operations. It is unclear what will be the effect on companies, if any, of attempts to move towards more market-oriented economies.

## **Counterparty Risk, Underlying Investment**

The products, including credit linked notes and swaps referenced to underlying securities, instruments, baskets or indexes, in which the Fund may hold, are subject to both counterparty risk and the risks inherent in the underlying investment. The counterparty risk lies with each party with whom the Fund contracts for the purpose of making investments (the "counterparty") and, where relevant, the entity in the Emerging Market with whom the counterparty has made arrangements to ensure an on-shore presence in the Emerging Market.

The underlying investment risk lies with the Sovereign or corporate entity against which payments made under the product are referenced. The Fund may not be entitled to assert any rights directly against the entity in the Emerging Market whom it does not have a contractual relationship and will be reliant upon the counterparty's ability to assert its rights in the relevant Emerging Market.

### **Liquidity of Investments**

Investments which the Fund may make may be less liquid than investments made in more developed markets.

However the Fund will always maintain an adequate level of liquidity which will enable it to comfortably meet its redemption requirements.

### **Settlement Risk**

Because of the underdeveloped state of the legal, banking and telecommunications systems that may exist in certain Emerging Markets, concerns may arise in relation to settlement, clearing and registration of transactions in securities. Neither the Investment Manager nor the Depositary or any of their agents can make any representation or warranty about, or any guarantee of, the operation, performance, settlement, clearing and/or registration of investments or the credit risks associated with dealing in any investments which the Fund may make.

### **Custody Risk**

Custody services in many Emerging Markets remain undeveloped and, although the Depositary and the Investment Manager will endeavour to put into place control mechanisms, including the selection of agents to register investments on behalf of the Fund and regular audits of entries on relevant registers to ensure that the Fund's interests continue to be recorded, there is a transaction and custody risk of dealing in Emerging Market investments.

Although the Depositary will, so far as is possible, satisfy itself that each agent selected to provide for the safe custody of investments is fit and proper and that arrangements are in place to safeguard the interests of Shareholders, the Depositary and the Investment Manager will not be liable for the acts or omissions of any agent, nor for any losses suffered by the Fund as a result of the fraud, negligence, wilful default or the bankruptcy or insolvency of any agent. The Fund may therefore have a potential exposure on the default of any agent and, as a result, many of the protections which would normally be provided to an investment fund by a trustee, custodian or agent will not be available to the Fund.

In certain circumstances, as a result of market practice, law or regulation in many Emerging Markets, NTGS Luxembourg will discharge its regulatory obligations by effecting supervision over assets in which the a Sub Fund has invested directly and the title to which has been registered in the name of a Sub Fund so as to seek to prevent the sale, transfer, exchange, assignment or delivery of any such asset to a third party without the Depositary's prior consent. In spite of such controls, the registration of assets in the name of the Fund in respect of a Sub-Fund may mean that such assets may not be as well protected from a concerted fraud against the Fund than if such assets had been registered in the name of the Depositary or its sub-custodian or the asset had been held in an account in a central securities depositary over which NTGS Luxembourg or its sub-custodian had control.

**It must be appreciated that the Fund will be investing either directly or indirectly in Emerging Markets where the current law and market practice carries fewer safeguards than in more developed markets and that the Depositary and the Investment Manager can accept no liability for losses resulting from the Depositary and the Investment Manager acting in accordance with such practice.**

### **Possible Business Failures**

The insolvency or other business failure of any one or more of the Fund's investments could have an adverse effect on the performance and ability to achieve its objectives. Many of the target investment countries have enacted or are in the process of enacting laws on the insolvency of enterprises, but there is as yet no significant level of experience in how these laws will be implemented and applied in practice. The lack of generally available financing alternatives for companies in many of the target investment countries increases the risk of business failure.

### **Accounting Practice**

Accounting standards in the Emerging Markets where the Fund may invest may not correspond to International Accounting Standards in all material respects. In addition, auditing requirements and standards differ from those generally accepted in the international capital markets and consequently information which would be available to investors in developed capital markets is not always obtainable in respect of companies in such countries.

### **Quality of Information**

Investors in the Emerging Markets where the Fund may invest generally have access to less reliable or less detailed information, including both general economic data and information concerning the operations, financial results, capitalisation and financial obligations, earnings and securities of specific enterprises. The quality and reliability of information available to the Fund may, therefore, be less than in respect of investments in developed countries. Obligations on companies to publish information are also more limited, thus further restricting opportunities for the Investment Manager to carry out due diligence. At present the Investment Manager will be obliged to make investment decisions and the Management Company investment valuations on the basis of financial information that will be less complete and reliable than that customarily available in more developed countries. Also, the quality and reliability of official data published by the government and government agencies are generally not equivalent to that of more developed countries.

### **Legal Risks**

The rate of legislative change in certain of the Emerging Markets where the Fund may invest may be rapid and the content of proposed legislation when eventually adopted into law can often be difficult or impossible to predict. Such proposed legislation may have an adverse effect on foreign investment. It is similarly difficult to anticipate the impact of legislative reforms on securities in which the Fund will invest. Although there is often significant political support for legislative change to bolster and facilitate the movement to a more developed market economy, it is not certain that legislation when enacted will advance this objective either consistently or in a coherent manner. In some cases, the magnitude of the changes taking place has resulted in a lack of confidence in the courts to give clear and consistent judgements. Legislation can be published by a variety of governmental bodies and remaining up to date and in complete compliance with legal rules and standards can often be difficult.

## **Taxation**

Tax law and practice in the Emerging Markets in which the Fund may invest is not as clearly established as that of more developed nations. It is possible therefore that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retrospective effect. Accordingly, it is possible that the Fund could become subject to taxation in the Emerging Markets in which the Fund may invest that is not anticipated either at the date of this document or when investments are made, valued or disposed of. In addition, in certain Emerging Markets where the Fund may invest, the domestic tax burden is high and the discretion of local authorities to create new forms of taxation has resulted in a proliferation of taxes, in some cases imposed or interpreted retrospectively.

## **Exchange and Currency Risk**

Some of the currencies in which the securities held by the Fund are denominated or which the financial derivative instruments are linked to, may not be freely convertible. The Emerging Market local currencies may therefore be convertible into other currencies only inside the relevant Emerging Market where the limited availability of such other currencies may tend to inflate their values relative to the Emerging Market local currency in question. Such internal exchange markets can therefore be said to be neither liquid nor competitive. In addition, many of the currencies of Emerging Markets in which the Fund may invest have experienced steady devaluation relative to freely convertible currencies, such as the US Dollar.

The value of an investment in the Fund, whose Shares are denominated in US Dollars, Euro, GBP, DKK, NOK, SEK, CHF, JPY, TRY, MXN, CAD, SGD or AUD and whose distributions will be paid in US Dollars, Euro, GBP, DKK, NOK, SEK, CHF, JPY, TRY, MXN, CAD, SGD or AUD will be affected by fluctuations in the value of the underlying currency of denomination of the Fund's investments against the US Dollar, Euro, GBP, DKK, NOK, SEK, CHF, JPY, TRY, MXN, CAD, SGD or AUD or by changes in exchange control regulations, tax laws, withholding taxes and economic or monetary policies. In addition Shares of the BRL Class will be affected by fluctuations between US Dollars and Reals. The Emerging Market local currencies in which the Fund may be invested, from time to time, may experience substantially greater volatility against the US Dollar, Euro, GBP, DKK, NOK, SEK, CHF, JPY, TRY, MXN, CAD, SGD or AUD than the major convertible currencies of developed countries. Adverse fluctuations in currency exchange rates can result in a decrease in the net return and in a loss of capital. Accordingly, investors must recognise that the value of Shares can fall as well as rise for this reason as can the ability to generate sufficient income to pay a distribution, if any, in US Dollars, Euro, GBP, DKK, NOK, SEK, CHF, JPY, TRY, MXN, CAD, SGD or AUD.

The Investment Manager may attempt to mitigate the risks associated with currency fluctuations by entering into hedging transactions, including forward, futures, swaps and options contracts to purchase or sell the currency of denomination of any investment held by the Fund and any other currencies held by the Fund or on securities, to the extent such contracts are available on acceptable terms. Investors should realise that such contracts may not be available in all of the currencies in which the Investment Manager may invest from time to time and may in the event of major market disruptions or for other reasons be unenforceable.

## **Emerging Market Regulatory Risk**

The issuers of the instruments in which the Fund may invest or the instruments themselves may be or become subject to unduly burdensome and restrictive regulation affecting commercial

freedom and this in turn may have an adverse impact on the net asset value of the Fund and therefore the value of the Shares. Over-regulation may therefore be a form of indirect nationalisation.

## **Investment in China**

The investment objective and strategies of certain Sub-Funds, as set out in the relevant Sub-Fund's Appendix, may allow such Sub-Funds subject to applicable rules and approvals, to invest in Chinese securities or instruments which have exposure to Chinese markets (the "**R-QFII Sub-Funds**"). Other than risks involved in investments on an international basis and in emerging markets, as well as other risks of investments generally as described above which are applicable to investments in China, investors should note the additional specific risks below.

### ***PRC Specific Risks***

*PRC Political, Economic and Social Risks:* Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the R-QFII Sub-Funds assets. Investors should also note that any change in the policies of the government and relevant authorities of the PRC may adversely impact the securities markets in the PRC as well as the performance of the R-QFII Sub-Funds.

*PRC Economic Risks:* The economy in the PRC has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the markets of the PRC and therefore on the performance of the R-QFII Sub-Funds.

*Legal System of the PRC:* The legal system of the PRC is based on written laws and regulations. However, because many of these laws and regulations, especially those that affect the securities market, are relatively new and evolving, the enforceability of such laws and regulations is uncertain. Such regulations also empower the relevant Chinese authorities to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, there can be no assurance that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of PRC companies which may issue RMB securities to be invested by the R-QFII Sub-Funds.

*Government control of currency conversion and future movements in exchange rates:* Currently, the RMB is traded in two markets, i.e. one in the PRC, and one outside the PRC (primarily in Hong Kong). While the RMB traded outside the PRC, the CNH, is subject to different regulatory requirements and is more freely tradable, the RMB traded in the PRC, the CNY, is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation



restrictions imposed by the central government of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of Mainland China. If such policies or restrictions change in the future, the position of the R-QFII Sub-Funds or its Shareholders may be adversely affected. Generally speaking, the conversion of CNY into another currency for capital account transactions is subject to SAFE approvals. Such conversion rate is based on a managed floating exchange rate system which allows the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY will not depreciate and that its exchange rate will not fluctuate widely against the US Dollar or any other foreign currency in the future. While both CNY and CNH represent RMB, they do not necessarily have the same exchange rate and their movement may not be in the same direction. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in a R-QFII Sub-Fund.

*Development of the PRC bond market:* Investors should note that the securities markets in the PRC generally and the PRC bond markets in particular are both at a developing stage and the market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes in the PRC's debt markets may result in prices of securities traded on such markets fluctuating significantly, and may result in substantial volatility in the net asset value of the R-QFII Sub-Funds. The national regulatory and legal framework for capital markets and debt instruments in the PRC are still developing when compared with those of developed countries. Currently, PRC entities are undergoing reform with the intention of increasing liquidity of debt instruments. However, the effects of any development or reform on the PRC's debt markets remain to be seen.

*Accounting and Reporting Standards:* PRC companies which may issue RMB securities to be invested by the R-QFII Sub-Funds are required to follow PRC accounting standards and practices which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

### **R-QFII System Risks**

*R-QFII Regulations:* Under current Chinese laws and regulations, investments in the Chinese domestic securities market can only be made by or through holders of a Qualified Foreign Institutional Investor ("QFII") licence, a Renminbi Qualified Foreign Institutional Investor ("R-QFII") licence or via the Shanghai Hong Kong Stock Connect, within certain investment quota as approved under and subject to applicable Chinese regulatory requirements. The R-QFII regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, *i.e.* the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include, but are not limited to the R-QFII Regulations. The R-QFII Regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

*R-QFII Quota:* The Investment Manager has obtained a R-QFII license and, subject to SAFE's and PBOC's approvals, may allocate R-QFII investment quotas (the "**Ashmore's R-QFII Quota**") to the R-QFII Sub-Funds. Following the obtaining of such R-QFII quota, the Investment Manager may, subject to any applicable regulations, apply for an increase of its R-QFII quota to the extent it has utilised its entire initial R-QFII Quota on behalf of the R-QFII Sub-Funds. There can however be no assurance that additional R-QFII quota can be obtained. On the other hand, the size of the quota may generally be reduced or cancelled by the relevant Chinese authorities if the R-QFII is unable to use its R-QFII quota effectively within one (1) year since the quota is granted. Also, regulatory sanctions may be imposed on R-QFIIIs if the latter (or the R-QFII local custodian – please see "PRC Custodian Risks" below) breach any provision of the R-QFII Regulations, which could potentially result in the revocation of the R-QFII quota or other regulatory sanctions that may impact on the portion of the Ashmore's R-QFII Quota made available for investment by the R-QFII Sub-Funds. Should the Investment Manager lose its R-QFII status or its investment quota is revoked or reduced, a R-QFII Sub-Fund may no longer be able to invest directly in China or may be required to dispose of its investments in the Chinese domestic securities markets held through the Ashmore's R-QFII Quota, which could have an adverse effect on its performance or result in a significant loss.

*Investment Restrictions and Repatriation Risks:* a R-QFII Sub-Fund may be impacted by the rules and restrictions under the R-QFII Regulations (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. The SAFE regulates and monitors the repatriation of funds out of the PRC by R-QFIIIs pursuant to the R-QFII Regulations. Repatriations by R-QFIIIs in respect of an open-ended R-QFII fund (as defined under R-QFII Regulations), such as the R-QFII Sub-Funds, conducted in RMB are currently conducted daily and are not subject to repatriation restrictions or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the R-QFII Sub-Funds' ability to meet redemption requests from the Shareholders. In extreme circumstances, the R-QFII Sub-Funds may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to R-QFII investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

*PRC Custodian Risks:* The Investment Manager (in its capacity as a R-QFII) and the Custodian will appoint the PRC Custodian as custodian (the "**R-QFII Local Custodian**") to maintain the relevant R-QFII Sub-Funds' assets in custody in the PRC, pursuant to relevant laws and regulations. Onshore PRC securities shall be registered in the name of "the full name of the Investment Manager – the name of the R-QFII Sub-Fund" in accordance with the relevant rules and regulations, and maintained by the R-QFII Local Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") and cash shall be maintained in a cash account with the R-QFII Local Custodian. The Depository will make arrangements to ensure that the R-QFII Local Custodian has appropriate procedures to properly safe-keep the relevant R-QFII Sub-Funds' assets, in accordance with applicable requirements, including maintaining records that clearly show that such R-QFII Sub-Funds' assets are recorded in the name of such R-QFII Sub-Fund and segregated from the other assets of the R-QFII Local Custodian. Investors should however note that cash deposited in the cash account of the R-QFII Sub-Funds with the R-QFII Local Custodian will not be segregated but will be a debt owing from the R-QFII Local Custodian to the R-QFII Sub-Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the R-QFII Local Custodian. In the event of bankruptcy or liquidation of the R-QFII Local Custodian, the R-QFII Sub-Funds will not

have any proprietary rights to the cash deposited in such cash account, and the R-QFII Sub-Funds will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the R-QFII Local Custodian. The R-QFII Sub-Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the R-QFII Sub-Funds will suffer losses. Also, the R-QFII Sub-Funds may incur losses due to the acts or omissions of the R-QFII Local Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

*PRC Brokerage Risk:* The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("**PRC Brokers**") appointed by the Investment Manager. There is a risk that the R-QFII Sub-Funds may suffer losses, whether direct or consequential, from the default or bankruptcy of the PRC Broker or disqualification of the same from acting as a broker. This may adversely affect the R-QFII Sub-Funds in the execution or settlement of any transaction or in the transfer of any funds or securities. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in PRC markets. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the Investment Manager, the R-QFII Sub-Funds may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with best execution standards and in the best interest of the Shareholders. Notwithstanding the foregoing, the Investment Manager will seek to obtain the best net results for the R-QFII Sub-Funds, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the PRC Broker involved and the PRC Broker's ability to position efficiently the relevant block of securities.

#### ***RMB Fixed income securities risk***

*Credit Risk:* The R-QFII Sub-Funds are subject to the risk that the issuers of the fixed income securities are unable or unwilling to make timely principal and/or interest payment, or to honour their obligations. An issuer's ability to service debt may be adversely affected by an economic recession and adverse political and social changes in general as well as business, financial and other situations particular to such issuer. If the issuer(s) of the fixed income securities in which the R-QFII Sub-Funds invest defaults, the performance of the R-QFII Sub-Funds will be adversely affected. The financial market of the PRC is at an early stage of development, and most of the fixed income securities that the R-QFII Sub-Funds invest in are and may be unrated. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the fixed income securities, the net asset value of the R-QFII Sub-Funds will be adversely affected and investors may suffer a substantial loss as a result. The R-QFII Sub-Funds may also encounter difficulties or delays in enforcing their rights against the issuers of fixed income securities as such issuers may be incorporated outside the jurisdiction in which the R-QFII Sub-Funds have been authorized or registered and subject to foreign laws. Fixed income securities are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income securities only after all secured claims have been satisfied in full. The R-QFII Sub-Funds are therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor. The R-QFII Sub-Funds may invest in fixed income securities which may or may not be of investment grading. Such securities are typically unsecured debt obligations which are not supported by any collateral. The R-QFII Sub-Funds will be fully exposed to the credit and/or insolvency risk of its counterparties as an unsecured creditor. RMB denominated deposits in which the R-QFII Sub-

Funds may invest are unsecured contractual obligations of the credit institutions where such deposits are held. The R-QFII Sub-Funds would be an unsecured creditor and be exposed to the credit/insolvency risk of such credit institutions.

*Credit Rating Risk:* Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. As the credit ratings of the debt instruments of the R-QFII Sub-Funds are largely assigned by the credit agencies in the PRC, the methodologies adopted by the local rating agencies might not be consistent with the other international rating agencies. As a result, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. To the extent the R-QFII Sub-Funds invest in higher yield debt instruments, the R-QFII Sub-Funds' success in achieving their respective investment objective may depend more heavily on the Investment Manager's creditworthiness analysis than if the R-QFII Sub-Funds invested exclusively in higher-quality and better rated securities.

*Downgrade Risk:* Downgrade risk is the risk that the credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument. Downgraded securities, and securities issued by issuers whose ratings may be downgraded, may be subject to higher risks, as they could be subject to higher volatility, liquidity and credit risk. In the event of downgrading in the credit ratings of a debt instrument or an issuer relating to a debt, the R-QFII Sub-Funds investment value in such security may be adversely affected. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded. The R-QFII Sub-Funds may continue to hold such investment, and higher risks may result. Shareholders may suffer substantial loss of their investments in the R-QFII Sub-Funds.

*Interest Rate Risk:* Fixed income securities (such as bonds) are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes. If the debt securities held by a R-QFII Sub-Fund fall in value, such R-QFII Sub-Fund value will also be adversely affected. On the other hand, shorter-term debt securities are less sensitive to interest rate changes than longer-term debt securities. However, this also means that shorter-term debt securities usually offer lower yields. The R-QFII Sub-Funds is not principal guaranteed and the purchase of its shares is not the same as investing directly in RMB debt income instruments or placing RMB funds on deposit with a bank. Changes in macro-economic policies of PRC, such as the monetary and fiscal policy, will have an influence over capital markets which may cause changes to market interest rates, affecting the pricing of the bonds and thus the return of the R-QFII Sub-Funds.

*Liquidity Risk:* The price at which the RMB fixed income securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spread of the price of RMB fixed income securities may be high, and the R-QFII Sub-Funds may therefore incur significant trading costs and may even suffer losses when selling such investments. While such RMB fixed income securities are traded on markets where trading is conducted on a regular basis, certain extraordinary events or disruption events may lead to a disruption or suspension of trading on such markets. There is also no guarantee that market-making arrangements will be in place to make a market and quote a price for all RMB fixed income securities. In the absence of an active secondary market, the R-QFII Sub-

Funds may need to hold the RMB fixed income securities until their maturity date. If sizeable redemption requests are received, the R-QFII Sub-Funds may need to liquidate its investments at a substantial discount in order to satisfy such requests and the R-QFII Sub-Funds may suffer losses in trading such instruments.

*Valuation Risk:* Valuation of the investments made by the R-QFII Sub-Funds may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the R-QFII Sub-Funds may be adversely affected. The risk of mispricing or improper valuation and possibility that the debt instruments do not always perfectly track the value of securities they are designed to track can result in increased payments to counterparties or a loss in the value of the R-QFII Sub-Funds. In the event of changing market conditions or other significant events, positive or negative impact could be larger.

### ***PRC Tax Risk***

*General:* By investing in securities issued by tax residents in the PRC (including without limitation China A-Shares and bonds), a R-QFII Sub-Fund may be subject to withholding and other taxes in the PRC, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties (the “Arrangement”). Such taxes may reduce the income from, and/or adversely affect the performance of, such R-QFII Sub-Fund.

Shareholders may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. It cannot be guaranteed that taxes paid at the level of the R-QFII Sub-Funds will be attributable to any Shareholders for personal tax purposes.

The current tax laws, regulations and practice in China may change in the future with retrospective effect.

*Corporate Income Tax (“CIT”):* The R-QFII Sub-Funds will be managed in such a manner that the Fund and the R-QFII Sub-Funds should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with a permanent establishment (“PE”) in the PRC for CIT law purposes, although this cannot be guaranteed.

a) *Withholding Tax (“WHT”):* Unless a specific exemption / reduction is applicable, a R-QFII Sub-Fund’s income from interests, dividends and other profit distributions sourced from the PRC is generally subject to PRC WHT. The general WHT rate applicable is 10%. Such WHT may reduce the income from, and/or adversely affect the performance of, such R-QFII Sub-Fund.

Nonetheless, the CIT law has exempted income tax on interest derived from government bonds.

b) *Capital Gains Tax:* There is a risk that the relevant PRC tax authority may impose a capital gain tax on unrealised and realised gains from dealings in PRC securities and bonds and this will have an impact on the net asset value of the R-QFII Sub-Funds, as further described below.



The Investment Manager has sought professional tax advice on the PRC capital gains tax status of the R-QFII Sub-Funds. Pursuant to this advice, for Luxembourg residents that have no PE in the PRC:

- capital gains derived from (i) RMB denominated corporate, government and non-government bonds as well as (ii) China A-Shares issued by PRC resident companies which are not “land rich companies” may, pursuant to the Arrangement, be exempted from the PRC WHT, subject to the approval of the PRC tax authorities. The Fund has obtained a Luxembourg Tax Resident Certificate (“LTRC”) from the fiscal authorities in Luxembourg certifying that the Fund (including its Sub-Funds) is resident in the Grand-Duchy of Luxembourg within the meaning of the double tax treaty between Luxembourg and China. In accordance with the professional tax advice received by the Investment Manager, no provision will be made for PRC WHT on the unrealised and realised capital gains derived from such investments. Nonetheless, the risk that the PRC tax authority would respect the tax resident status of the R-QFII license holder and/or the Fund (including the R-QFII Sub-Funds) for the purposes of applying the above applicable tax relief cannot be removed. It is also uncertain how the PRC tax authority will apply their guidance when determining if a Chinese share represents an equity interest in a “land rich company”. For these purposes, a company is land rich when over 50% of the share value consists directly or indirectly of immovable property situated in the PRC. In determining whether a Chinese company derives its value largely from immovable property, liabilities of the Chinese company are to be disregarded (the “gross asset approach”). Furthermore, the determination of whether the 50% threshold is met should be made using the values of the Chinese company’s assets as recorded in the financial statements prepared in accordance with PRC GAAP. However, the value attributed to land and land use rights should not be lower than the fair market value of comparable adjacent or similar land and land use rights. The methodology adopted by the Investment Manager in identifying whether or not PRC resident companies are “land rich companies” has been agreed and accepted by independent tax advisor. However, in light of the uncertainty on the WHT treatment on such capital gains and in order to meet this potential tax liability for capital gains, the Investment Manager reserves the right to provide for WHT on such gains or income and withhold the tax for the account of a R-QFII Sub-Fund;
- the Investment Manager will make a 10% provision for WHT in relation to unrealised and realised capital gains derived by a R-QFII Sub-Fund from the trading of China A-Shares issued by PRC resident companies which are “land rich companies”.

It should however be noted that there are uncertainties in relation to the Investment Manager’s determination of WHT provisions, including:

- the Arrangement may be changed in the future and a R-QFII Sub-Fund may ultimately be required to pay WHT on capital gains;
- even if the Investment Manager, in accordance with the independent professional tax advice, believes that the R-QFII Sub-Funds should be eligible for the above WHT exemptions, the PRC tax authorities may ultimately hold a different view. The Investment Manager is, as at the date of this Prospectus, not aware of any successful cases for tax treaty capital gain exemption approval for R-QFIIs;

- due to the limitation to the availability of the public information in the PRC (e.g. in respect of the market value of land and land use rights), the information to be adopted by the PRC tax authorities in assessing "land rich companies" may be different from the information used by the Investment Manager in assessing the same which may result in different conclusion by the Investment Manager for some China A-Share companies to those of the PRC tax authorities.

For the above reasons, any WHT provision on capital gains made by the Investment Manager for the account of a R-QFII Sub-Fund may be less than such R-QFII Sub-Fund's actual tax liabilities. It should also be noted that there is a possibility of the PRC tax rules being changed and taxes being applied retrospectively.

In view of the above uncertainties, investors should note that the level of provision made by the Investment Manager for the account of a R-QFII Sub-Fund may be inadequate to meet actual PRC tax liabilities on investments made by such R-QFII Sub-Fund. Consequently, investors may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares.

If the actual tax levied in the PRC is higher than that provided for by the Investment Manager for the account of a R-QFII Sub-Fund so that there is a shortfall in the tax provision amount, investors should note that the net asset value of such R-QFII Sub-Fund may be lowered, as such R-QFII Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the R-QFII Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in such R-QFII Sub-Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made, in which case those Shareholders who have already redeemed their Shares before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision.

The Investment Manager, acting in the best interest of Shareholders, will review and assess the WHT provisioning approach on an on-going basis. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules or further changes to tax law or policies, the Investment Manager, will as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The exact amount of provision for WHT will be disclosed in the annual and semi-annual reports of the Fund.

*Business Tax:* Under the Arrangement, PRC business tax is not currently applied to dividends or interest. Furthermore, gains realised by a R-QFII on any PRC investments should be exempt from business tax.

*Legal and Regulatory Uncertainties:* The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Shares in the R-QFII Sub-Funds. There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be



promulgated in the future will not adversely impact the tax exposure of the R-QFII Sub-Funds and/or its Shareholders.

### **The Banking System**

In addition to being ill-developed, the local banking systems in many of the Emerging Markets in which the Fund may invest are subject to risks such as the insolvency of a bank due to concentrated debtor risk or imprudent lending, the effect of inefficiency and fraud in bank transfers and other systemic risks. In addition, banks in Emerging Markets may not have developed the infrastructure to channel domestic savings to companies in need of finance who thereby can experience difficulty in obtaining working capital.

### **Embargoes and Sanctions**

Trade embargoes, sanctions and other restrictions ("restrictions") may, from time to time, be imposed by international bodies (for example, but not limited to, the United Nations) or sovereign states (for example, but not limited to, the United States) or their agencies on investments held or to be held by the Fund. Such restrictions may result in an investment or cash flows relating to an investment being frozen or otherwise suspended or restricted ("suspensions"). The Depositary and the Investment Manager will not be liable for any losses suffered by the Fund as a result of the imposition of such restrictions or as a result of suspensions being imposed on any investment or any cash flows associated with any investment.

### **Investment Objective Not Guaranteed**

There is no guarantee of specific or minimum performance, and there is no assurance that the Fund will meet its investment objective.

### **Dependence on the Investment Manager**

The success of the Fund depends upon the ability of the Investment Manager to develop and implement investment strategies that achieve the Fund's investment objectives as well as, where applicable, the utilisation and maintaining of its R-QFII investment quota. Subjective decisions made by the Investment Manager may cause the Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized.

### **Aggregation of orders**

To the extent permitted by the Prospectus and applicable law and regulation, the Investment Manager and the Sub-Managers may aggregate purchase or sale orders on behalf of a Sub-Fund with an order for one or more other funds managed or advised by the Investment Manager or the Sub-Managers (an "Ashmore Fund") or an order for its own account or the account of an affiliate of the Investment Manager, the Sub-Managers or an Ashmore Fund. Those other Ashmore Funds have investment strategies, objectives and restrictions which may be similar or different to the relevant Sub-Fund, and may be structured differently to the relevant Sub-Fund, especially as regards redemption and subscription (or analogous) terms and may have a finite term. The Fund acknowledges that aggregation may for instance impact the holding period for an investment, the size of its exposure to such investment (for example by increasing or decreasing its participation in the investment through acquiring or disposing of some or all of the investment from or to one or more other Ashmore Funds in accordance with applicable law and regulation and the Investment Manager's and/ or the Sub-Managers' policies and procedures in

respect therewith), and the price at which the investment may be acquired or disposed of. When aggregating orders for the purchase or sale of investments for the Fund with other Ashmore Funds, the Investment Manager and/ or the Sub-Managers take into account the strategies, objectives and restrictions to which each such Ashmore Fund is subject and their interests, which depending on the circumstances may be advantageous or less advantageous to the Fund.

### **Foreign Corrupt Practices Act**

Where the Ashmore Funds, including the Fund, have, as a result of collective investments in a same entity, a controlling equity investment which would allow such invested funds (the "Invested Ashmore Funds") to exert collectively a positive control and/or a significant influence over such entity (an "Investee Company"), then the Investment Manager (on behalf of the Fund and the other Ashmore Funds as shareholders of the Investee Company) intends to request the Investee Company to adopt and implement policies, to the extent they do not have them already, to minimise and prohibit the direct or indirect, offer, payment, promise of payment or authorization of payment of anything of value, including but not limited to cash, checks, wire transfers, tangible and intangible gifts, favours, services, to: (i) an executive, official, employee or agent of a governmental department, agency or instrumentality, (ii) a director, officer, employee or agent of a wholly or partially government-owned or -controlled company or business, (iii) a political party or official thereof, or candidate for political office, or (iv) an executive, official, employee or agent of a public international organisation (a "Government Official"), with the specific purpose of exerting an influence, whether positive or negative, over such Government Official to obtain an improper advantage or in order to obtain, retain, or direct business. Notwithstanding the aforementioned policies, the Investment Manager and the Invested Ashmore Funds are solely reliant on the executive management of the Investee Company ("IC Management") to implement and monitor such policies and report to the Investment Manager and the Invested Ashmore Funds in the Fund's capacity as a shareholder of the Investee Company, on such policies, and accordingly there is no guarantee that such policies will be implemented, and even if implemented whether they will be effective and/or adhered to by the IC Management, and any failure in the IC Management to implement, adhere to, and monitor such policies will compromise the effectiveness of such policies.

### **Commodities Exchange Act**

Because each of the below Sub-Funds may invest in derivative instruments that may be deemed to be "commodity interests," each such Sub-Fund may be subject to regulation as a commodity pool under the U.S. Commodity Exchange Act, as amended, and the rules of the U.S. Commodity Futures Trading Commission (the "CFTC"). The Investment Manager and the relevant Sub-Manager are exempt from registration with the CFTC as a commodity pool operator with respect to the below Sub-Funds under CFTC Rule 4.13(a)(3) because of the limited trading by such Sub-Funds in commodity interests. As such, unlike registered commodity pool operators, neither the Investment Manager nor the relevant Sub-Manager are required to deliver to investors in the below Sub-Funds, a "Disclosure Document", as that term is used in the CFTC's rules, or certified annual reports.

- Ashmore SICAV Emerging Markets Debt Fund;
- Ashmore SICAV Emerging Markets Sovereign Debt Fund;
- Ashmore SICAV Emerging Markets Sovereign Investment Grade Debt Fund;
- Ashmore SICAV Local Currency Fund;
- Ashmore SICAV Emerging Markets Local Currency Bond Fund;
- Ashmore SICAV Emerging Markets Investment Grade Local Currency Fund;

- Ashmore SICAV Emerging Markets Total Return Fund;
- Ashmore SICAV Emerging Markets Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Investment Grade Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Local Currency Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Investment Grade Total Return Fund;
- Ashmore SICAV Emerging Markets Short Duration Fund;
- Ashmore SICAV Emerging Markets Asian Corporate Debt Fund;
- Ashmore SICAV Turkish Debt Fund;
- Ashmore SICAV Turkish Equity Fund;
- Ashmore SICAV Emerging Markets High Yield Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Local Currency Bonds (Broad) Fund;
- Ashmore SICAV Emerging Markets Growth Fund;
- Ashmore SICAV Emerging Markets Absolute Return Debt Fund;
- Ashmore SICAV Emerging Markets Value Fund;
- Ashmore SICAV Emerging Markets Global Small-Cap Equity Fund;
- Ashmore SICAV Emerging Markets Frontier Equity Fund;
- Ashmore SICAV Latin American Small-Cap Equity Fund;
- Ashmore SICAV Middle East Equity Fund;
- Ashmore SICAV Indian Small-Cap Equity Fund; and
- Ashmore SICAV Latin American Equity Fund.

### **Use of Financial Derivatives and Techniques and Instruments**

Each Sub-Fund may engage, within the limits laid down under sections ‘Investment Restrictions’ and ‘Special Investment Techniques and Instruments’ of this Prospectus, in various portfolio strategies which may involve the use of techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management (*i.e.* to reduce the risk, costs, and to generate additional capital or income with a reasonable level of risk) and hedging purposes. These techniques may *inter alia* include the use of futures and option contracts, credit-linked securities, swaps contracts, forward foreign exchange transactions in currency and other investment techniques, which, should a Sub-Fund resort thereto as part of its investment strategy will be described in the relevant Sub-Fund’s Appendix.

While the prudent use of these techniques may be beneficial, these may also involve special investment risks and transactions costs to which the Sub-Funds would not be subject in the absence of the use of these strategies.

Risks also include counterparty risk and default risk of the counterparty, and the inability to liquidate a position because the trading market becomes illiquid. Liquidity risk exists when a particular instruments is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Where a Sub-Fund enters into transactions in OTC markets, it is exposed to a potential risk arising from the credit of its counterparties and their ability to comply with its obligations and undertakings under the contracts.

Performance and value of derivatives instruments are directly linked to the performance or value of underlying assets, and will fluctuate depending on the market of such underlying assets. The successful use of these techniques will depend on the ability of the Sub-Fund’s investment manager(s) to judge market conditions correctly, predict market movements, and employ a strategy that correlates adequately to the Sub-Fund’s investments.

The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved.

When engaging in such transactions, the Sub-Funds may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to such transactions with the Fund, the Management Company, the relevant Investment Manager or another member of the same group of companies.

In the event that a Sub-Fund reinvests cash collateral in one or more of the permitted types of investment that are described under section 7.4. 'Management of Collateral', there is a risk that the Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

### **Warrant Risks**

The Fund may invest in warrants of various emerging market funds which often have a high degree of gearing so small movements in the price of an underlying instrument often results in a disproportionately large movement in the price of the warrant. The value of a warrant could drop to zero even though the underlying retains a value.

### **Credit Default Swap's Risk**

The use of credit default swaps can be subject to higher risk than direct investment in the underlying securities. The market for credit default swaps may from time to time be less liquid than the underlying securities markets. In relation to credit default swaps where the Fund sells protection the Fund is subject to the risk of a credit event occurring in relation to the reference entity. Furthermore, in relation to credit default swaps where the Fund buys protection, the Fund is subject to the risk of the credit default swap counterparty defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Fund will only enter into credit default swaps with credit institutions of the type set forth under section 6. "Investment Restrictions" which have experience in such transactions.

### **Investment by International Organisations**

From time to time, the Fund accepts investment from certain international organisations and supranational bodies ("International Organisations"). Certain of these International Organisations are prohibited by their charter or constitution from pursuing legal proceedings in the courts of any individual member nations. In such circumstances and to the extent they are legally and validly authorized and recognized to assert the following, the disputes to which the International Organisations concerned are a party, including any disputes relating to the rights or obligations attaching to an investment by them in the Fund, may have to be resolved by a stipulated method of dispute resolution, e.g. international arbitration.

The pursuit of claims by means of a specified method of dispute resolution should however not disadvantage the Fund or its Shareholders in any material way if, as a matter of fact, such

International Organisations are legally and validly authorized and recognized to assert the above, the immunity or lack of jurisdiction in such circumstances.

The effect of this is that the method of proceeding against International Organisations, the judgments obtained and the manner of enforcement of those judgments may be different from those which would apply in respect of other types of Shareholders. There is a risk that no judgment may be obtained or that a judgment which is obtained may be difficult to enforce, potentially resulting in loss to the Fund. However, the nature of these International Organisations is such that they are more likely than not to satisfy any award made against them in such proceedings and that the risk of not being able to enforce a judgment is one which arises in respect of disputes with any third parties including other Shareholders.

### **Secondary Market Trading and Liquidity Risks**

Even though the Ashmore Source UCITS ETF Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in such Shares on any Relevant Stock Exchange or that the market price at which these may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the net asset value per Share, as calculated pursuant to section 16.5 of the Prospectus.

The liquidity on the Relevant Stock Exchange may be limited notably because (i) the Relevant Stock Exchange cannot obtain or calculate the real time theoretical value and/or (ii) there is a breach by an Authorised Participant of the Relevant Stock Exchange requirements and guidelines and/or (iii) there is a failure in the systems of one of the Relevant Stock Exchanges.

The exchange price of the Ashmore Source UCITS ETF Shares negotiated on the Relevant Stock Exchanges may deviate from this Share net asset value per Share, which may, among other factors, lead to that Shares trading at a premium or discount to the net asset value. Investors should be aware that on days other than Business Days of a given Sub-Fund when one or more markets are trading Ashmore Source UCITS ETF Shares but the underlying market(s) on which the assets of such Sub-Fund are traded are closed, the spread between the quoted bid and offer prices in the Ashmore Source UCITS ETF Shares may widen and the difference between the market price of a Ashmore Source UCITS ETF Share and the last calculated net asset value per Share thereof may, after currency conversion, increase.

Trading in the Ashmore Source UCITS ETF Shares on a Relevant Stock Exchange may be halted or suspended due to market conditions, a significant variation between the stock exchange value and the net asset value of the considered Ashmore Source UCITS ETF Share resulting in such Shares being traded at large discounts or premiums, which the Directors do not consider to be sustainable, or for the reason that, in the Relevant Stock Exchange's view, trading in such Shares is inadvisable, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted, Secondary Market Shareholders may not be able to sell their Ashmore Source UCITS ETF Shares until trading resumes. However such Secondary Market Shareholders may be allowed to request the redemption of their Ashmore Source UCITS ETF Shares, subject to the conditions set forth in section 10.2.2 above.

There can be no guarantee that once UCITS ETF Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

### **Suitability Standards**

**Because of the risks involved, investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs. Investors are therefore advised to seek independent professional advice on the implications of investing in the Fund.**

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**14 CONFLICTS OF INTEREST**

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**14.1 Management Company**

The Management Company may from time to time act as management company to other funds. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund. The Management Company has, however, adopted controls and internal procedures to limit any such conflicts. Should such conflicts arise, the Management Company will have regard to its obligations under the Investment Management Company Services Agreement and will endeavour to ensure that it is resolved fairly.

**14.2 Investment Manager and Sub-Managers**

The Investment Manager or the Sub-Managers may from time to time act as investment manager or investment adviser to other funds or investment products and may from time to time invest the Fund's assets in such funds or products. It is therefore possible that the Investment Manager or the Sub-Managers may, in the course of their business, have potential conflicts of interest with the Fund. The Investment Manager or the Sub-Managers may, for example, make investments for other clients or on its own behalf without making the same available to the Fund. The Investment Manager and the Sub-Managers will, however, have regard in such event to their obligations under the Discretionary Investment Management and Sales Agent Agreement or the Sub-Investment Manager Agreements, as applicable, and, in particular, to their obligations to act in the best interest of the Shareholders and in accordance with the principle of equal treatment of Shareholders whilst also having regard to their obligations to other clients when undertaking any investment where potential conflicts of interest may arise. In the event that a conflict of interest does arise, the Investment Manager and the Sub-Managers will endeavour to ensure that it is resolved fairly.

**14.3 Depositary**

Under the Articles of Incorporation of the Fund, cash forming part of the Fund may be placed by the Depositary in any current, deposit or loan account with itself or with any parent company of the Depositary so long as that bank pays interest thereon at a rate no lower than is, in accordance with normal banking practice, the commercial rate for deposits of the size of deposit in question negotiated at arm's length.

**14.4 General**

The Management Company, the Investment Manager, the Depositary or any delegate of the Investment Manager or any subsidiary company of any of them may:

- become the owner of Shares and hold, dispose of or otherwise deal with those Shares as if that person were not the Management Company, the Investment Manager, the Depositary, or any delegate of the Investment Manager or any parent company of them, as the case may be;
- deal in property of any description on that person's individual account notwithstanding the fact that property of that description is included in the assets of the Fund;



- enter into any financial, banking or other transaction with one another or with any Shareholder or any company or body any of whose investments form part of the Fund or have an interest in any such transaction;

without that party having to account to any other such party, to the Shareholders or any of them for any profits or benefits made by or derived from or in connection with any such transaction.

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**15 TAXATION**

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**15.1 General**

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein. Investors should inform themselves of and when appropriate, consult their professional advisors on the possible tax consequences of subscription for, buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence or domicile.

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

Certain jurisdictions may have reporting regimes that may require the Fund to provide certain financial and/or other information relating to Shareholders, including, but not limited to, information relating to the identity of Shareholders and income and gains derived from their holdings of Shares in the Fund and/or derived from underlying assets in the Fund. Please see "Foreign Account Tax Compliance" below.

The Fund is intended to be managed and controlled in such a manner that it should not be treated as a resident in the UK for UK tax purposes.

**15.2 Taxation of the Fund in Luxembourg**

Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax subject to section 15.4 below. However, the Fund is liable in Luxembourg to a subscription tax ("*taxe d'abonnement*") of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the total net asset value of the Sub-Funds at the end of the relevant quarter. This tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. Other exemptions are available under conditions.

The reduced tax rate of 0.01% per annum of the net assets will be applicable to Classes which are only sold to and held by Institutional Investors, as well as to those Sub-Funds whose exclusive object is the collective investment in Money Market instruments and the placing of deposits with credit institutions. The reduced tax rate may be applicable under conditions in other cases.

No stamp duty or other tax at a proportional rate is payable in Luxembourg on the issue of Shares in the Fund.

No other tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short term or long term, are not expected to become taxable in another country, the Shareholders must be aware and recognize that such a possibility is not totally excluded. The regular income of the Fund from

some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which may not be recovered.

Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of EUR 75.

### **15.3 Foreign Withholding Taxes**

Many of the countries in which the Fund may invest from time to time do not have fiscal systems, tax laws and practices which are as established and clearly defined as in the developed nations. Many such countries impose withholding taxes on interest and dividends remitted out of their country to tax non-residents. Given the wide diversification of the likely investments, both by country and by transferable security or other instruments, it is not possible to provide any detailed advice or indication on the likely withholding tax position of the Fund. However, the Investment Manager will endeavour to ensure that, through the use of intermediary investment vehicles, beneficial tax treaties and careful investment selection, the withholding tax burden on the Fund is mitigated as far as reasonably practicable.

### **15.4 Taxation of the Shareholders in Luxembourg**

Under current Luxembourg tax legislation, Shareholders not resident in Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares are attributable should not be subject to any income, withholding (except if the EU Savings Directive<sup>6</sup> applies please see section 15.5 “The EU Savings Directive” below), estate, inheritance or other taxes in Luxembourg.

Capital gains realised by and dividends paid to a Shareholder in Luxembourg may be taxable in Luxembourg.

Investors should be aware that income or dividends received or profits realised may lead to an additional taxation in their country of citizenship, residence, domicile and/or incorporation.

### **15.5 The EU Savings Directive**

The EU Council of Economic and Finance Ministers adopted the EU Savings Directive (“the Directive”) on 3 June 2003 and the Directive has been applied by Member States since 1 July 2005. In accordance with the Directive, each Member State must provide to the tax authorities of other Member States details of payments of interest or other similar income (including distributions and redemption payments referable to a UCITS investing in interest bearing instruments) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State (and such other jurisdictions as have agreed to abide by the terms of the EU Savings Directive). However, Luxembourg may instead apply a withholding system (in respect of distributions and redemption payments referable to a UCITS investing in interest bearing instruments) for a transitional period in relation to such payments.

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<sup>6</sup> Council Directive 2003/48/EC of 3<sup>rd</sup> June 2003 on taxation of savings income in the form of interest payments, OJ, No. L157, 26.06.03,p38, as amended by Council Directive 2004/66EC of 26 April 2004,OJ No. L168, 1.5.2004, p35, and Council Decision 2004/587/EC of 19 July 2004, OJ No. L257, 4.8.2004, p 7.

Since the date when the Directive applied, Luxembourg paying agents (within the meaning of the Directive) are required to withhold tax on interest and other similar income paid by them to (or under certain circumstances, to the benefit of) individuals or residual entities within the meaning of Article 4.2. (i.e. an entity (i) without legal personality, except for a Swedish *handelsbolag* or *kommanditbolag* or a Finnish *avoin yhtiö*, *kommandiittiyhtiö* / *öppet bolag*, or *kommanditbolag* and, (ii) whose profits are not taxed under the general arrangements for the business taxation and (iii) that is not, or has not opted to be considered as a UCITS – a “Residual Entity”) residents or establishments in another Member State, unless the beneficiary of any such interest payments elect for either and exchange of information or presents to the Luxembourg paying agent with a certificate drawn up in their name by the competent authority of their Member State of residence for tax purposes. The same regime applies to payments to individuals or Residual Entities resident or established in any of the Associated Territories.

The withholding tax rate is currently 35% and the Luxembourg paying agent bears the responsibility of the payment of the tax.

However, on 18 March 2014, the Luxembourg government filed a bill No 6668 in order to replace the current withholding tax system with the exchange of information as from 1st January 2015, as set in the Directive.

Additionally, on 24 March 2014, the Council of the European Union adopted the Directive 2014/48/UE which changes and broadens the scope of the current applicable Directive to further include (i) payments made via some intermediary structures (set or not within the territory of a Member State), and (ii) more types of income comparable to interest. Austria and Luxembourg have confirmed that as from the 1 January 2015, they will adopt the changes relating to the Directive and will provide the information on payments of interest requested by the tax authorities of other EU Member States in compliance with the automatic exchange of information mechanism which will replace the withholding tax system. The changes in the Directive will have to be transposed into domestic law before the 1 January 2016. Finally, the replacement of the amending Directive as from 1 January 2017 by an automatic exchange of information in compliance with the Organisation for Economic Co-operation and Development (OECD) standard is currently discussed by the EU.

Investors should get information about, and where appropriate take advice on, the impact of the Directive on their investment.

## **15.6 Value Added Tax**

In Luxembourg the Fund is regarded as a taxable person for value added tax (“VAT”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and could necessitate the VAT registration of the Fund in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services purchased from abroad.

No VAT liability should arise in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent that such payments are linked to their subscription in Fund’s Shares.

## **15.7 Income Equalisation Arrangements**

Income equalisation arrangements may be applied in the case of Shares in some or all the Sub-Funds. Where they are applied these measures are planned to ensure that the income per

Share which is distributed or deemed distributed in respect of a distribution period is not impacted by changes in the number of Shares in issue during that period, and the amount of the first distribution received by a Shareholder in an impacted Sub-Fund following the purchase of Shares in that Sub-Fund will represent partly participation in income received by the Sub-Fund and partly a return of capital (the 'equalisation amount').

Whilst the tax treatment of equalisation amounts may, differ in certain jurisdictions, many jurisdictions do not consider an equalisation amount to constitute a taxable income receipt in the hands of Shareholders, but instead take the position that equalisation amounts should be applied to reduce the base acquisition cost of the Shares for the purpose of computing capital gains.

Shareholders who wish to obtain information concerning whether equalisation is currently being operated and the equalisation amount, if any, received or to be received by them as a part of their distribution, may do so by contacting the Management Company's transfer agency department on +352 276222279.

Please consult your tax adviser to assess the impact, if any, of equalisation amounts in light of your own circumstances.

#### **15.8 Foreign Account Tax Compliance ("FATCA")**

**PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, THE FUND IS INFORMING PROSPECTIVE INVESTORS THAT (A) THE SUMMARY SET FORTH BELOW IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THE SUMMARY SET FORTH BELOW WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE DISTRIBUTION OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

For the purposes of this sub-section,

**Controlling Persons** shall mean the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

**Entity** shall mean a legal person or a legal arrangement such as a trust.

**Financial Institution** shall mean a custodial institution, a depository institution, an investment entity or a specified insurance company, as defined by the IGA.

**Luxembourg Financial Institution** shall mean (i) any Financial Institution resident in Luxembourg, but excluding any branch of such Financial Institution that is located outside Luxembourg and (ii) any branch of a Financial Institution not resident in Luxembourg, if such branch is located in Luxembourg.

**Non-US Entity** shall mean an Entity that is not a US Person.

**Specified US Person** shall mean a US Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities market; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof ; (iv) any States of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) of the US Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (vi) any bank as defined in section 581 of the US Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the US Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the US Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the US Internal Revenue Code.

The United States HIRE Act was adopted in March 2010. It includes provisions generally known as FATCA.

The intention of these is that details of Specified US Persons (as defined below) holding assets outside the US will be reported by financial institutions (as defined below) to the United States Internal Revenue Service as a safeguard against US tax evasion. As a result of the HIRE Act, and to discourage non-US Financial Institutions from staying outside this regime, all US securities held by a Financial Institution that does not enter and comply with the regime will in principle be subject to a US tax withholding of 30% on gross sales proceeds as well as income.

On 28 March 2014, Luxembourg signed an intergovernmental agreement (the "IGA") with the United States, in order to facilitate compliance by Luxembourg Financial Institutions (as defined below), such as the Fund, with FATCA and avoid the above-described US withholding tax. Under the IGA, Luxembourg Financial Institutions will provide the Luxembourg tax authorities with information on the identity, the investments of and the income received by their investors that are Specified US Persons or, in case of a Non-US Entity (as defined below) being a Shareholder, on the status of any Controlling Person (as defined below) as a Specified US Person. The Luxembourg tax authorities will then automatically pass the information on to the United States Internal Revenue Service. Such reporting is, however, not required in case the Luxembourg Financial Institution can rely on a specific exemption or a deemed-compliant category contained in the IGA.

The Fund therefore requires all Shareholders to provide mandatory documentary evidence on their status as a Specified US Person or, in case of a Non-US Entity being a Shareholder, on the status of any Controlling Person as a Specified US Person. Under the IGA, the Fund will be required to, inter alia, disclose the name, address and taxpayer identification number of these Specified US persons that own, directly or indirectly, Shares in the Fund, as well as information

on the balance or value of the direct or indirect Shares owned in the Fund by such Specified US Persons, as well as on any amounts directly or indirectly paid by the Fund to such Specified US Persons.

The Fund's ability to satisfy its obligations under the IGA will depend on each Shareholder in the Fund providing the Fund with any information, including information concerning the direct or indirect owners of such Shareholder, that the Fund determines is necessary to satisfy such obligations. Each Shareholder agrees to provide such information upon request by the Fund.

A Shareholder that fails to comply with such documentation requests may be charged with any taxes or penalties imposed on the Fund attributable to such Shareholder's non-compliance under the IGA and FATCA, and the Fund may, in its sole discretion, redeem such Shares.

While the Fund will make all reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes or penalties imposed or required to be deducted under the IGA and/or FATCA to Shareholders whose non-compliance caused the imposition or deduction of the tax or penalty, it cannot be excluded that other complying Shareholders in the Fund may be affected by the presence of such non-complying Shareholders.

All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Fund.

## **15.9 OECD Common Reporting Standard**

On 13 February 2014, the Organisation for Economic Co-operation and Development ("OECD"), released the Common Reporting Standard ("**CRS**") designed to create a global standard for the automatic exchange of financial account information. On 29 October 2014, Luxembourg, along with fifty other jurisdictions signed the multilateral competent authority agreement ("Multilateral Agreement") that activates this automatic exchange of information of financial account information. Pursuant to the Multilateral Agreement, certain disclosure requirements will be imposed in respect of certain Shareholders in the Fund (the "Reportable Persons").

Domestic legislation (the "CRS Law") regarding the implementation of the CRS and the Multilateral Agreement in Luxembourg is not yet in final form and thus subject to uncertainties.

Under the terms of the CRS Law, applicable from 1 January 2016, the Fund will be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to its local authority/ies (the "LTA") information related, inter alia, to the identification of, holdings by and payments made to (i) Shareholders that are Reportable Persons, and (ii) Controlling Persons within the meaning of the CRS Law ( "CRS Controlling Persons") of certain non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (hereinafter the "Information"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its obligations under the CRS Law will depend on each Shareholder in the Fund providing the Fund with the Information, along with the required supporting documentary evidence, so that the Fund is able to satisfy its reporting obligations under the CRS Law. Each Shareholder agrees to provide such information upon request by the Fund.



In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their CRS Controlling Persons, if applicable, of the processing of their Information by the Fund.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax administration (Administration des Contributions Directes, the "ACD") annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations they will perform will be reported to them through the issuance of certificates or contract notes, and that part of this information will serve as a basis for the annual disclosure to the ACD.

The Shareholders have a right to access any personal data related to him/her as contained in the Information and to request rectification of such personal data if they are inaccurate and/or incomplete. For these purposes, the Shareholder may contact the Fund in writing at the following address:

c/o Northern Trust Luxembourg Management Company S.A.,  
6, rue Lou Hemmer, L-1748 Senningerberg,  
Luxembourg

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these certificates or contract notes if any Information as contained therein is not accurate. The Shareholders further undertake to inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the Information within ninety (90) days of the occurrence of such changes.

The Information of the Shareholders may be disclosed by the ACD, acting as data controller, to foreign tax authorities.

A Shareholder that fails to comply with such documentation or Information requests may be subject to liability for penalties imposed on the Fund and attributable to such Shareholder's failure to provide the Information or to disclosure of the Information by the Fund to the LTA under the terms of the applicable law. In such cases, the Fund may, in its sole discretion, redeem such Shares.

All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of CRS on their investment in the Fund.

**Persons interested in purchasing Shares should inform themselves as to any tax consequences particular to their circumstances arising in their country of citizenship or the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposal by them of any Shares and, notwithstanding the tax summaries set out above, neither the Directors, the Fund, the Management Company, the Investment Manager nor the Depositary is providing any potential investor with tax advice and neither will be responsible for any taxes suffered by a Shareholder as a result of their investment in the Fund.**

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**16 GENERAL INFORMATION**

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**16.1 Organisation**

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a SICAV. The Fund was incorporated in Luxembourg on 19 December 2002 for an unlimited period. Its original Articles of Incorporation have been published in the Mémorial C, Recueil des Sociétés et Associations dated 16 January 2003. The Articles of Incorporation have been last amended on 24 September 2014, with publication in the Mémorial C, Recueil des Sociétés et Associations dated 21 November 2014.

The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B 90279.

The minimum capital of the Fund is, as required by Luxembourg law, the equivalent in U.S. Dollars of € 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value.

The Articles of Incorporation and a notice ("*notice légale*") in respect of the issue and sale of the Shares by the Fund are on file with the *Greffe du Tribunal d'Arrondissement* in Luxembourg. Any interested person may inspect these documents.

**16.2 Meetings**

The annual general meeting of Shareholders (the "Annual Meeting") will be held, unless otherwise stated in the notice convening the Annual Meeting, at the registered office of the Fund on the last Wednesday of the month of April of each year at 11.00 CET or, if any such day is not a Business Day, on the next following Business Day. Notices of all general meetings will be sent to the holders of registered Shares by post at least eight calendar days prior to the meeting at their addresses shown on the register of Shareholders. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission.

Each whole Share confers the right to one vote.

**16.3 Reports and Accounts**

Audited annual reports shall be published within four months following the end of the accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. Upon request of a registered Shareholder, the annual reports shall be sent to such registered Shareholder at the address shown on the register of Shareholders. The Fund's accounting year ends on 31 December of each year. The Fund shall also publish semi-annual unaudited reports on its activities as of 30 June each year, both the annual and semi-annual reports shall be made available at the registered offices of the Fund and the Depositary during ordinary office hours.

The reference currency of the Fund is US\$. The aforesaid reports will comprise consolidated accounts of the Fund expressed in US\$ as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

## **16.4 Allocation of assets and liabilities among the Sub-Funds**

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a portfolio of assets for each Sub-Fund in the following manner:

(a) the proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Fund to the portfolio of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such portfolio subject to the following provisions;

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

(c) where the Fund incurs a liability which relates to any asset of a particular portfolio or to any action taken in connection with an asset of a particular portfolio, such liability is allocated to the relevant portfolio;

(d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular portfolio, such asset or liability is allocated to all the portfolios in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;

(e) upon the payment of dividends to the holders of Shares in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.

The Fund has been set up as an umbrella fund, which means that the Fund may be composed of several Sub-Funds, with each Sub-Fund constituting a separate portfolio of assets and liabilities, on the basis of the information contained in the Prospectus and in the documents referred to herein.

Sub-Funds have different features. Accordingly, by investing in one or more of such Sub-Funds, investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

Pursuant to the Law of 2010, an umbrella fund constitutes a single legal entity. However, between Shareholders, each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of the relevant Sub-Fund. A purchase of Shares relating to one particular Sub-Fund does not give the holder of such Shares any rights with respect to any other Sub-Fund.

The net proceeds from subscriptions for Shares in each Sub-Fund are invested in the specific portfolio of assets constituting that Sub-Fund.

With regard to third parties, each Sub-Fund will be exclusively responsible for all liabilities attributable to it.

## **16.5 Determination of the Net Asset Value of Shares**

### **a. Valuation policy**

The net asset value of the Shares of each Class is determined in its Reference Currency for

each Valuation Day on the basis of the last available prices at the end of the relevant Valuation Day, calculated in accordance with this section 16.5 by dividing the net assets attributable to each Class by the number of Shares of such Class then outstanding. For the avoidance of doubt, the unit of a Reference Currency is the smallest unit of that currency (e.g. if the Reference Currency is US Dollars, the unit is the cent). Fractions of units, calculated to three decimal places, may be allocated as required.

The net assets of each Class are made up of the value of all the assets attributable to such Class less the total liabilities attributable to such Class calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets attributable to a Sub-Fund shall be determined as follows:

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

(b) the value of any financial assets listed or dealt in on a Regulated Market, a stock exchange in an Other State or on any Other Regulated Market is based on the last available price on the relevant market which is normally the main market for such assets;

(c) in the event that any assets are not listed or dealt in on any Regulated Market, any stock exchange in an Other State or on any Other Regulated Market, or if, with respect to assets listed or dealt in on any such markets, the closing price as determined pursuant to subparagraph (b) does not truly reflect the fair market value of the relevant assets, the value of such assets will be based on the reasonable foreseeable sales price determined prudently and in good faith;

(d) the amortised cost method of valuation for short-term transferable debt securities in certain Sub-Funds of the Fund may be used. This method involves valuing a security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security or other instrument. While this method provides certainty in valuation, it may result in periods during which the value as determined by amortised cost, is higher or lower than the price the Sub-Fund would receive if it sold the securities. For certain short term transferable debt securities, the yield to a Shareholder may differ somewhat from that which could be obtained from a similar sub-fund which marks its portfolio securities to market each day;

(e) the value of futures, forward and options contracts not traded on Regulated Markets, stock exchanges in Other States or on Other Regulated Markets shall mean their net value determined, on a basis consistently applied for each different variety of contracts. The value of futures, forward and options contracts traded on Regulated Markets, stock exchanges in Other States or on Other Regulated Markets shall be based upon the last available settlement or closing prices, as applicable, of these contracts on Regulated Markets, stock exchanges in Other States or Other Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the liquidating value of such contract shall be determined on a fair and reasonable basis;

(f) interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument relating swap agreement shall be based upon the market value of such swap transaction established in good faith. Total return swaps and credit default swaps will be valued on a consistent basis;

(g) units or shares of UCITS and/or UCIs will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined on a fair and equitable basis. Units or shares of closed ended UCIs will be valued at their last available stock market value;

(h) exchange-traded instruments including equities are valued at the closing trading price on the relevant exchange;

(i) all other securities and other assets will be valued at fair market value as determined in good faith.

In preparing any valuation, the Management Company may rely on information provided by any person whom it considers to be suitably qualified to do so and who is approved by the Board of Directors (an "Approved Person") and who has been approved for such purposes by the Depository. For the purposes hereof, an Approved Person may include the Investment Manager or an affiliate thereof, if appropriate. If the Management Company shall notify an Approved Person (in the case of (ii) or (iii)) or if an Approved Person shall notify the Management Company (in the case of (i)):

- (i) that any investment comprised in a Sub-Fund is unsaleable;
- (ii) that no market price by reference to which the value of an investment would otherwise fall to be calculated was quoted on any Regulated Market, any stock exchange in an Other State or on any Other Regulated Market or, due to the nature of such investment, otherwise not available through any Regulated Market, any stock exchange in an Other State or on any Other Regulated Market in respect of such investment; or
- (iii) that a market price on any Regulated Market, any stock exchange in an Other State or on any Other Regulated Market for any other reason is not available in respect of any investment.

the value of such investment shall, in the absence of manifest error, generally be determined at such price or using such methodology as is notified to the Management Company by an Approved Person, provided that if the Management Company is aware of another price or methodology in respect of the relevant investment being available to it through its normal pricing processes then the Management Company shall consider whether to challenge and/or seek to validate the price or methodology provided by the Approved Person against such other price or methodology.

In considering whether fair value pricing is required and in determining fair values, significant events that occur after the close of a relevant market and before the end of the Valuation Day will be taken into account. The fair value of investments may also take into account prices for relevant assets traded on exchanges which may permit trading on days which are not Valuation Days and which may result in the values of a Sub-Fund's portfolio investments being affected. The determination of the fair value of investments may be based on information provided by pricing services and other third-party vendors, which may recommend fair value prices or

adjustments with reference to other securities, indices or assets.

If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, and the Directors believe that a significant event has occurred between the close of the markets in which a Sub-Fund invests and the point of valuation, and that such event will materially affect the value of that Fund's portfolio, they may cause the Management Company to adjust the Net Asset Value per Share so as to reflect what is believed to be the fair value of the portfolio as at the point of valuation.

The level of adjustment will be based upon the movement in a chosen surrogate up until the point of valuation, provided that such movement exceeds the threshold as determined by the Directors of the Fund. The surrogate will usually be in the form of a futures index but might also be a basket of securities, which the Directors believe is strongly correlated to, and representative of, the performance of the Sub-Fund. Where an adjustment is made as per the foregoing, it will be applied consistently to all Share Classes in the same Sub-Fund.

As at the date of issue of this Prospectus, the measure described above, known as fair value pricing is not being applied to any of the bond Sub-Funds but only to the equity Sub-Funds. The Directors, however, reserve the right to implement fair value pricing whenever they deem it appropriate.

For the purposes hereof, the Management Company shall use its reasonable care and skill when applying any information or methodology supplied by an Approved Person or such pricing services or other third-party vendors as referred to above, to avoid any manifest errors.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will (apart from forward currency contracts which will be valued in accordance with paragraph (e) above) be converted into the Reference Currency of such Sub-Fund at the rate of exchange prevailing in a recognised market at the time of determination of the net asset value. If such quotation is not available, the rate of exchange will be determined in good faith.

The Management Company, upon recommendation of the Board of Directors shall be responsible for reviewing and approving the valuation procedures and policies of the Fund.

The Management Company or the Board of Directors, at its sole discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

The net asset value per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Fund.

The net asset value per Share for each Class is determined by the Management Company and made available at the registered office of the Management Company one Business Day after the relevant Valuation Day.

**b. Net asset value adjustment (“Swing Pricing”)**

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of Shares which exceeds a threshold of 5% of such Sub-Fund's net asset value (or a threshold as determined by the Board of Directors and as applicable to all transactions) for that Sub-Fund, as further described in the Fund's swing policy copy of which



may be obtained at the registered office of the Fund, the Management Company shall apply an alternative net asset value calculation method (to include such reasonable factors as they see fit) to the net asset value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Fund to the active Shareholders by adjusting the net asset value of the relevant Share and thus to protect the Fund's existing Shareholders from costs associated with ongoing subscription and redemption activity.

This alternative net asset value calculation method may take account of trading spreads on the Fund's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact.

Where the Management Company, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Sub-Fund, has determined for a particular Sub-Fund to apply an alternative net asset value calculation method, the Sub-Fund may be valued either on a bid or offer basis (which would include the factors referenced in the preceding paragraphs). Such adjustment may vary from Sub-Fund to Sub-Fund and, based on normal dealing and other costs for the particular assets in which a Sub-Fund is invested, will not exceed 2% of the original net asset value per Share. However, whilst the price adjustment is normally not expected to exceed 2%, the Board of Directors may decide to increase this adjustment limit in exceptional circumstances to protect Shareholders' interests.

The swing pricing mechanism may apply across all Sub-Funds with the exception of those Sub-Funds that are fully invested in other Ashmore Funds.

## **16.6 Temporary Suspension of Issues, Redemptions and Conversions**

The Management Company may suspend the calculation of the net asset value per Share of one or more Classes of Shares or of one or more Sub-Fund(s):

- (a) during any period when any Regulated Market, stock exchange in an Other State or any Other Regulated Market on which any material part of the investments comprised in the Fund for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposal of investments comprised in the Fund would not be reasonably practicable or might seriously prejudice the interests of the Shareholders as a whole;
- (c) during any period when there is a breakdown in the means of communication normally employed in determining the price of any of the investments comprised in the Fund or the current price on any investment exchange or when for any reason the prices of any investments cannot be promptly and accurately ascertained;
- (d) during any period when currency conversions which will or may be involved in the realisation of the investments comprised in the Fund or in the payment for investments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;



- (e) following the suspension of the calculation of the net asset value per share/unit of the shares/units issued within the master fund in which the Sub-Fund invests in its quality as feeder fund.

The Board of Directors may suspend the issue, redemption as well as the conversion of the Shares of one or more Sub-Fund(s) following the suspension of the issue, redemption, and/or the conversion of the shares/units issued within the master fund in which a Sub-Fund invests in its quality as feeder fund, within the same period of time as the master fund.

The fees of the Management Company, the Investment Manager and the Depositary will continue to accrue during the period of suspension and will be calculated by reference to the last valuation prior to the suspension coming into effect.

The issue, redemption and conversion of Shares in one or more Classes will be suspended for any period during which the determination of the net asset value per Share of the Class or the Sub-Fund(s) concerned is suspended by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Management Company or the relevant Sales Agent before the end of such suspension period. Should such withdrawal not be effected, the Shares in question shall be redeemed/converted on the first Valuation Day following the termination of the suspension period. Investors who have requested the issue, redemption or conversion of Shares shall be informed of such suspension when such request is made. In the event where such suspension period exceeds a certain period determined by the Management Company, all Shareholders of the Class concerned shall be informed.

## **16.7 Liquidation**

### **a. Liquidation of the Fund**

The Fund is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. This meeting will be convened in compliance with Luxembourg law.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law of 2010 which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions. Redemption proceeds which have not been claimed by Shareholders upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of each Class of the relevant Sub-Fund in proportion to their respective holdings of such Class.

### **b. Liquidation of Sub- Funds**

In the event that for any reason the value of the total net assets in any Sub-Fund or the value of the net assets of any Class of Shares within a Sub-Fund has decreased to, or has not reached, US Dollars 20,000,000 being the amount determined by the Board of Directors to be a minimum level to enable such Sub-Fund, or such Class of Shares, to be operated in an economically efficient manner or as a result of a substantial modification in the political, economic or monetary situation of the Fund or as a matter of economic rationalization, the Board of Directors may

decide to redeem all the Shares of the relevant Class or Classes at the net asset value per Share (taking into account the actual realisation prices of investments and realisation expenses) calculated on the Valuation Day on which such redemption shall take effect. The Management Company shall serve a notice in writing to the Shareholders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Shareholders of the Sub-Fund concerned may continue to request the redemption or conversion of their Shares free of charge (but taking into account the actual realisation prices of investments and realisation expenses) prior to the effective date for the compulsory redemption unless it is otherwise decided by the Board of Directors to be against the interests of, or such redemption or conversion would affect the equal treatment of, Shareholders.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a general meeting of Shareholders of any one or all Classes of Shares in issue may, upon the proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes resulting in a refund to the Shareholders of the net asset value of their Shares (taking into account the actual realisation prices of investments and realisation expenses) calculated on the Valuation Day on which such redemption shall take effect. There shall be a 75% quorum requirement for such a general meeting of Shareholders which shall decide by resolution taken by a two-thirds majority of those present or represented.

Redemption proceeds which have not been claimed by Shareholders upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Amounts not claimed from escrow within the statute of limitations will be forfeited in accordance with the provisions of Luxembourg law.

## **16.8 Mergers**

### **a) Mergers decided by the Board of Directors**

The Board of Directors may from time to time elect to proceed with a merger (within the meaning of the Law of 2010) of the Fund or of one of the Sub-Funds, either as a receiving or an absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the Law of 2010, including the following provisions regarding notice and approval:

#### *1) Merger of the Fund*

The Board of Directors may decide to proceed with a merger of the Fund, only on a receiving UCITS basis, with:

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

and, as appropriate, to redesignate the shares of the relevant sub-fund thereof as applicable.

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

#### *2) Merger of the Sub-Funds*

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with another existing Sub-Fund within the Fund and, as

appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of either the receiving or absorbed Sub-Fund.

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

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

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

#### **b) Rights of the Shareholders and costs to be borne by them**

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

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

#### **16.9 Details of the Regulatory Authorities**

Contact details of the regulators of the Fund, the Management Company and the Investment Manager referred to in this Prospectus are as follows:

For the Fund and the Management Company:

##### *Commission de Surveillance du Secteur Financier*

Address : Commission de Surveillance du Secteur Financier  
110, route d’Arlon, L-2991, Luxembourg  
Telephone No.: (352) 26 25 1 - 1  
Facsimile No. : (352) 26 25 1 - 601  
Website : <http://www.cssf.lu>

For the Investment Manager:

##### *United Kingdom Financial Conduct Authority*

Address : Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone No.: +44 20 7066 1000  
Facsimile No. : +44 20 7066 1099  
Website : <http://www.fca.org.uk/>

## 16.10 Material Contracts

The following material contracts have been entered into:

(a) An Amended and Restated Management Company Services Agreement dated 25 February 2010 entered into between the Fund and the designated Management Company. This Agreement is entered into for an unlimited period and is terminable by either party upon not less than six months' prior written notice or earlier in certain specified events.

(b) A Discretionary Investment Management and Sales Agent Agreement dated 11 July 2005, as amended, between the Fund, the Management Company and the Investment Manager. This Agreement is entered into for an unlimited period and is terminable by either party upon six months' prior written notice or earlier in the event, *inter alia*, of the insolvency of the Investment Manager.

(c) A Depositary and Paying Agent Agreement dated 23 March 2016 between the Fund, Management Company and Northern Trust Global Services Limited, London (Royaume Uni), Luxembourg Branch pursuant to which the latter was appointed as depositary of the assets of the Fund and principal paying agent of the Fund. The Agreement is entered into for an unlimited period and may be terminated by either party upon six months written notice or earlier in certain specified events.

(d) A Sub-Investment Manager Agreement dated 30 September 2011, as amended and restated, entered into between the Investment Manager and Ashmore Equities Investment Management (US) LLC. This agreement is entered into for an unlimited period and is terminable by either party upon not less than sixty (60) days' prior written notice or earlier in certain specified events.

## 16.11 Documents

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KIIDs of the Fund, the Country Supplement, the latest periodical reports (which form an integral part of this Prospectus), the Available Share Classes Document and the client complaints handling policy of the Fund, as well as the Fund's policies for the exercise of the voting rights, may be obtained free of charge during normal office hours at the registered office of the Fund or from the Fund's local agents, as required by applicable laws. They may also be obtained on [www.ashmoregroup.com](http://www.ashmoregroup.com).

## 16.12 Notices to Shareholders

Any notice required to be served upon a Shareholder is deemed to have been duly given if sent by post or left at the Shareholder's address as appearing in the Shareholder register.

Service or delivery of a notice or document to any one of several joint Shareholders is deemed effective on the other joint Shareholders. Notices and documents sent by post by the Fund or their agents are sent at the risk of the persons entitled to them.

Where appropriate, any relevant notification to Shareholders holding via a Recognised Clearing and Settlement System (with the exception of the shareholders meeting convening notices referred to under section 16.2) may also be made via stock exchange announcement(s).

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**17 INFORMATION FOR INVESTORS IN CERTAIN COUNTRIES**

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**17.1 Information for Investors in Germany**

Please refer to the German Country Supplement distributed to the relevant investors together with this Prospectus, as required by the relevant local laws.

**17.2 Information for Investors in the United Kingdom**

Where this Prospectus is issued in the United Kingdom, it has been approved for the purposes of section 21 of the United Kingdom Financial Services and Markets Act 2000 (the “Act”) by Ashmore Investment Management Limited, which is regulated by the Financial Conduct Authority (“FCA”). The Fund is a recognised scheme in the United Kingdom for the purposes of Section 264 of the Act. Accordingly, the Fund may be marketed to the general public in the United Kingdom pursuant to the UCITS Directive regime. The Fund may launch new sub-funds or share classes from time to time. The Fund will promptly seek to register any sub-fund and/or share class it intends to sell in the UK as a recognised scheme with the FCA (for the purposes of Section 264 of the Act). For more information about those sub-funds and/or share classes registered for sale from time to time, please check the FCA register (<http://www.fca.org.uk/register>).

Certain rules made under the Act for the protection of private customers will not apply to investments in the Fund. Compensation under the Financial Services Compensation Scheme will generally not be available and an investor in the Fund will not have the right to cancel his application for Shares under the rules contained in the FCA Conduct of Business Sourcebook.

Shares in the Fund confer rights against the Fund in accordance with the Articles of Incorporation. Voting rights are attached to Shares and the Fund will hold an annual general meeting of Shareholders at which votes attaching to Shares may be exercised. No persons other than Shareholders have the right to vote at Shareholder meetings.

In connection with the Fund’s recognition under section 264 of the Act, the Fund will maintain the facilities required of a recognised scheme by the rules contained in the FCA Collective Investment Schemes Sourcebook at the offices of:

**Ashmore Investment Management Limited**

61, Aldwych,  
London WC2B 4AE,  
England.

Such facilities include, among other things:

- (a) a Shareholder may redeem his Shares and from which payment of the price on redemption may be obtained;
- (b) information can be obtained orally and in writing about the Fund’s most recently published Share prices; and
- (c) any person who has a complaint to make about the operation of the Fund can submit his complaint in writing for transmission to the Fund.

Copies of the contracts mentioned above are available for inspection, and copies of the Articles

of Incorporation, the current Prospectus, the KIID and the latest periodical reports and any updates to the scheme may be obtained free of charge during normal office hours at the UK Facilities Agents Address in the UK. Such reports form an integral part of this Prospectus.

## **UK Facilities Agents**

### **Ashmore Investment Management Limited**

61, Aldwych,  
London WC2B 4AE,  
England.

## **United Kingdom Taxation Information**

The following is an outline of various aspects of the United Kingdom taxation regime which may apply to United Kingdom resident or ordinarily resident persons acquiring Shares in the Fund, and where such persons are individuals, only to those domiciled in the United Kingdom. It is intended as a general synopsis only, based on current law and practice in force as of the date of this Prospectus. The below summary is not to be considered exhaustive and such law and practice could be subject to amendment. Further, it will apply only to those United Kingdom Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade. The outline below does not cover United Kingdom Shareholders which are tax exempt or subject to special taxation regimes.

Shares in the Fund will represent interests in an "offshore fund" for the purposes of the United Kingdom "offshore funds legislation". Under this regime (contained in the Offshore Funds (Tax) Regulations 2009 (as amended)), persons who are resident or ordinarily resident in the UK for tax purposes may be liable to income tax (or corporation tax on income) in respect of any gain arising from the disposal or redemption of Shares in an offshore fund. However, this charge does not apply where the Shares are held within a class of interest which is certified by the HM Revenue & Customs ("HMRC") as a "qualifying fund" throughout the period during which the Shares have been held. Qualifying funds are funds which have "reporting fund status". Gains arising on the disposal or redemption of such shares are instead taxed as capital gains.

In broad terms, a "reporting fund" is an offshore fund that meets certain annual reporting requirements to HMRC and its Shareholders.

Annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. Any reported income in excess of distributions will be deemed to arise to UK Shareholders on the date six months after the financial year end.

It is intended that the majority of the Funds Sub-Funds and share classes will be managed so as to qualify as 'reporting funds', however no guarantee that this status will be achieved is provided.

The Shares of the Fund shall be widely available. The Board of Directors confirms that the intended categories of investors are not "restricted" for the purposes of the Offshore Fund (Tax) Regulations 2009. Shares shall be marketed and made available sufficiently widely to reach the



intended categories of investors, and in a manner appropriate to attract those categories of investors.

UK investors should be aware that the Offshore Fund Tax Regulations may be subject to further change. The position set out above is correct as of the time of publication of this Prospectus.

When United Kingdom resident individuals receive dividends or reported income from the Fund, there may be a non-refundable tax credit equivalent to 10% of the dividend plus the tax credit, which may be offset against their liability to tax. However, where an offshore fund as defined in the offshore fund legislation, holds more than 60% of its assets in interest bearing (or similar) form, any distribution or reported income will be treated as interest in the hands of the United Kingdom income tax payer. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

When any United Kingdom corporate Shareholders within the charge to United Kingdom corporation tax receive dividends from the Fund, the dividend is likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-United Kingdom companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the Shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes. Under the corporate debt tax regime in the United Kingdom any corporate Shareholder within the charge to United Kingdom corporation tax will be taxed on the increase in value of its holding on a fair value basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the Investments held by the offshore fund within which the Shareholder invests, consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Fund (whether as a Shareholder or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 10%, or greater, if, at the same time, the Fund is itself controlled in such matter that it would, were it to be resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Fund being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Fund (such as on a disposal of any of its Investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Fund (determined as mentioned above).



Corporate investors should be aware that the Taxation (International and Other Provisions) Act 2010 contains provisions which subject certain United Kingdom resident companies to tax on profits of companies not so resident in which they have an interest. The provisions, broadly, affect United Kingdom resident companies which are deemed to be interested (directly or indirectly) in at least 25% of the profits of a non-resident company where that non-resident company is controlled by persons who are resident in the United Kingdom and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of capital gains.

### **17.3 Information for Investors in Austria**

The paying agent ("Austrian Paying Agent") and information agent ("Austrian Information Agent") for the Fund in the Republic of Austria is:

**UniCredit Bank Austria AG**

Schottengasse 6-8  
1010 Wien  
Austria

Requests for subscription, redemption or conversion of Shares may be submitted to the Austrian Paying Agent.

All payments to be made to Shareholders including redemption proceeds and distributions, if any, may be transmitted through the Austrian Paying Agent, if so requested by the Shareholder. The Prospectus, the Articles of Incorporation as well as the audited annual reports and the unaudited semi-annual reports, and the issue and redemption prices are available and obtainable free of charge from the Austrian Information Agent. Any other information as specified in the section of the Prospectus titled "General Information - Documents" are also available free of charge from, and available for inspection by Shareholders at the address of, the Austrian Information Agent.

In the Republic of Austria, the issue and redemption prices, as well as all other publications and notices to Shareholders, will be published on [www.fundinfo.com](http://www.fundinfo.com) and will be available at the registered office of the Management Company.

### **17.4 Information for Investors in the United States and Canada**

US persons and Canadian persons may be permitted to invest in the Fund at the sole discretion of the Management Company and will need to complete all required documentation specific to such persons to the satisfaction of the Management Company prior to being admitted as a Shareholder.

The placement agent (the "US Placement Agent") for the Fund investors in the United States is:

**Ashmore Investment Management (US) Corporation**

122 East 42<sup>nd</sup> Street  
50<sup>th</sup> Floor  
New York  
NY10168  
United States

Requests for subscription, redemption or conversion of Shares may be submitted to the US Placement Agent.

## **17.5 Information for investors in Switzerland**

### **1. Representative**

The representative in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, located at Selnaustrasse 16, 8002 Zurich, Switzerland.

### **2. Paying agent**

The paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, located at Selnaustrasse 16, 8002 Zurich, Switzerland.

### **3. Place where the relevant documents may be obtained**

The Prospectus, the KIID, the Articles of Incorporation as well as the annual and semi-annual reports of the Fund may be obtained free of charge from the representative as well as from the Management Company and Investment Manager.

### **4. Publications**

1. Publications in respect of the foreign collective investment scheme are made in Switzerland on [www.fundinfo.com](http://www.fundinfo.com).
2. The issue and the redemption prices or the net asset value together with a footnote stating "excluding commissions" must be published daily on each Valuation Day on [www.fundinfo.com](http://www.fundinfo.com).

### **5. Payment of retrocessions and rebates**

#### **a) Payment of retrocessions**

The Investment Manager has been appointed to distribute the Shares as the principal sales agent and may pay retrocessions out of the Management Fee as remuneration for distribution activity in respect of the Shares in or from Switzerland to certain third party distributors.

This remuneration may be deemed payment for the following services in particular:

- distributing the Shares in or from Switzerland to non-qualified Swiss investors and qualified Swiss investors; and
- providing on-going services to such Swiss investors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Swiss investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Swiss investors, unsolicited and free of charge, about the amount of retrocessions they may receive from the Investment Manager for distribution activity.

On request from Swiss investors, the recipients of retrocessions must disclose the amounts of retrocessions they actually receive from the Investment Manager for distributing the Shares to the Swiss investors concerned.

b) Payment of rebates

As permitted by, and subject to the provisions of, applicable laws and regulations, the Investment Manager may, on an as requested basis, from time to time agree side letter provisions to one or more investors individually relating to a range of matters relevant to such investors, inter alia, a reduction in the Management Fee (by way of a fee rebate to the particular investors), requests for additional representations and warranties from the Investment Manager, requests necessitated by specific legal, tax or regulatory requirements applicable to an investor, and requests for enhanced reporting rights.

The Investment Manager will take into account the best interests of the Fund and the Shareholders before granting any side letter. Any decision by the Investment Manager to agree a fee rebate will be based on the amount of such investor's investment or proposed investment. Additional representations or warranties will be offered to an investor depending on the circumstances of the particular investor.

In the case of distribution activity in or from Switzerland, the Investment Manager may, on an as requested basis, agree to pay rebates directly to Swiss investors provided that:

- they are paid from the Management Fee and do not represent an additional charge on the Fund's assets;
- they are granted on the basis of objective criteria as described above;
- all Swiss investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent;
- upon request, the Investment Manager discloses the amount of such rebates free of charge.

The purpose of such rebates is to reduce the fees or costs incurred by the Swiss investor in question.

## **6. Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

### **17.6 Information for investors in Singapore**

The offer or invitation of the Shares of each Sub-Fund which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and the Shares are not allowed to be offered to the retail public. This Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

**INVESTORS SHOULD NOTE THAT SUB-FUNDS REFERRED TO IN THIS PROSPECTUS OTHER THAN THE SUB-FUNDS LISTED BELOW ARE NOT AVAILABLE TO SINGAPORE INVESTORS AND ANY REFERENCE TO SUCH OTHER SUB-FUNDS IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFER OF SHARES OF SUCH OTHER SUB-FUNDS IN SINGAPORE:**

- Ashmore SICAV Emerging Markets Asian Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Debt Fund;
- Ashmore SICAV Emerging Markets Frontier Equity Fund;
- Ashmore SICAV Emerging Markets Value Fund;
- Ashmore SICAV Emerging Markets Global Small-Cap Equity Fund;
- Ashmore SICAV Emerging Markets High Yield Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Investment Grade Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Investment Grade Local Currency Fund;
- Ashmore SICAV Emerging Markets Investment Grade Total Return Fund;
- Ashmore SICAV Emerging Markets Local Currency Bond Fund;

- Ashmore SICAV Emerging Markets Local Currency Bonds (Broad) Fund;
- Ashmore SICAV Emerging Markets Local Currency Corporate Debt Fund;
- Ashmore SICAV Emerging Markets Sovereign Debt Fund;
- Ashmore SICAV Emerging Markets Sovereign Investment Grade Debt Fund;
- Ashmore SICAV Emerging Markets Total Return Fund;
- Ashmore SICAV Indian Small-Cap Equity Fund;
- Ashmore SICAV Latin American Equity Fund;
- Ashmore SICAV Latin American Small-Cap Equity Fund;
- Ashmore SICAV Local Currency Fund;
- Ashmore SICAV Middle East Equity Fund;
- Ashmore SICAV Turkish Debt Fund;
- Ashmore SICAV Turkish Equity Fund.

**Schedule 1**  
**List of sub-custodial agents appointed by the Depositary.**

The Depositary has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates listed below. The Depositary will notify the board of the Company of any such conflict should it so arise.

<b>Country</b>	<b>Sub-custodian</b>	<b>Sub-delegates</b>	<b>Conflict of interests</b>
Australia	HSBC Bank Australia Limited		
Austria	UniCredit Bank Austria A.G		
Bahrain	HSBC Bank Middle East Limited		
Bangladesh	Standard Chartered Bank		
Belgium	Deutsche Bank AG		
Bermuda	HSBC Bank Bermuda Limited		
Bosnia and Herzegovina - Federation of B & H	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH	
Bosnia and Herzegovina - Republic of Srpska	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH	
Botswana	Standard Chartered Bank Botswana Limited		
Brazil	Citibank, N.A.	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")	
Bulgaria	Citibank Europe plc		
Canada	The Northern Trust Company, Canada		
Canada*	Royal Bank of Canada		
Chile	Banco de Chile		
China A	HSBC Bank (China)		

	Company Limited		
China B	HSBC Bank (China) Company Limited		
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria		
Costa Rica	Banco Nacional de Costa Rica		
Croatia	UniCredit Bank Austria A.G.	Zagrebacka Banka d.d.	
Cyprus	Citibank International Limited		
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.		
Denmark	Nordea Bank Danmark A/S		
Egypt	Citibank, N.A.		
Estonia	Swedbank AS		
Euro CDs	Deutsche Bank AG, London Branch		
Finland	Nordea Bank Finland plc		
France	Deutsche Bank AG		
Germany	Deutsche Bank AG		
Ghana	Standard Chartered Bank Ghana Limited		
Greece	Citibank International Limited		
Hong Kong SAR	The Hongkong and Shanghai Banking Corporation Limited		
Hungary	UniCredit Bank Hungary Zrt		
India	Citibank, N.A.		
Indonesia	Standard Chartered Bank		
Ireland	The Northern Trust Company, London		
Israel	Bank Leumi Le-Israel BM		
Italy	Deutsche Bank SpA		
Japan	The Hongkong and Shanghai Banking Corporation Limited		



Jordan	Standard Chartered Bank plc, Jordan Branch		
Kazakhstan	JSC Citibank Kazakhstan		
Kenya	Standard Chartered Bank Kenya Limited		
Kuwait	HSBC Bank Middle East Limited		
Latvia	Swedbank AS		
Lebanon	HSBC Bank Middle East Limited		
Lithuania	AB SEB Bankas		
Luxembourg	Euroclear Bank S.A. / N.V		
Malaysia	HSBC Bank Malaysia Berhad		
Mauritius	The Hongkong and Shanghai Banking Corporation Limited		
Mexico	Banco Nacional de Mexico, S.A.		
Morocco	Societe Generale Marocaine de Banques		
Namibia	Standard Bank Namibia Ltd		
Netherlands	Deutsche Bank AG		
New Zealand	The Hongkong and Shanghai Banking Corporation Limited		
Nigeria	Stanbic IBTC Bank Plc		
Norway	Nordea Bank Norge ASA		
Oman	HSBC Bank Oman SAOG		
Pakistan	Citibank, N.A.		
Palestinian Territories	HSBC Bank Middle East Limited		
Panama	Citibank, N.A., Panama Branch		
Peru	Citibank del Peru S.A.		
Philippines	The Hongkong and Shanghai Banking Corporation Limited		

Poland	Bank Polska Kasa Opieki SA		
Portugal	BNP Paribas Securities Services		
Qatar	HSBC Bank Middle East Limited		
Romania	Citibank Europe plc		
Russia	AO Citibank		
Saudi Arabia	HSBC Saudi Arabia Limited		
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC	
Singapore	DBS Bank Ltd		
Slovakia	Citibank Europe plc		
Slovenia	UniCredit Banka Slovenija d.d.		
South Africa	The Standard Bank of South Africa Limited		
South Korea	The Hongkong and Shanghai Banking Corporation Limited		
Spain	Deutsche Bank SAE		
Sri Lanka	Standard Chartered Bank		
Sweden	Svenska Handelsbanken AB (publ)		
Switzerland	Credit Suisse AG		
Taiwan	Bank of Taiwan		
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Ltd	
Thailand	Citibank, N.A.		
Tunisia	Banque Internationale Arabe de Tunisie		
Turkey	Deutsche Bank A.S.		
Uganda	Standard Chartered Bank Uganda Limited		
United Arab Emirates - ADX	HSBC Bank Middle East Limited		
United Arab Emirates - DFM	HSBC Bank Middle East Limited		

United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited		
United Kingdom	The Northern Trust Company, London		
United States	The Northern Trust Company		
Uruguay	Banco Itau Uruguay S.A.		
Vietnam	HSBC Bank (Vietnam) Ltd		
Zambia	Standard Chartered Bank Zambia plc		

\* The Royal Bank of Canada serves as The Northern Trust Company's sub-custodian for securities not eligible for settlement in Canada's local central securities depository.