

## **Derivatives**

The Fund may use derivatives for any of the following purposes as described below:

### **Hedging**

The Fund may employ currency hedging strategies to hedge the foreign currency exposure to manage the currency risk of the Classes that are not denominated in the Base Currency. The Fund may also utilise derivative instruments such as futures or options for the purpose of hedging the Fund's exposure to particular markets, sectors or currencies (e.g., equity index). Hedging can take place at a portfolio level or, in respect of currency hedging, at hedged classes level.

### **Efficient Portfolio Management**

Efficient portfolio management means the cost-effective use of derivatives with the aim of reducing certain risks associated with the Fund's investments, reducing costs or to generate additional capital or income. The risks generated will be consistent with the Fund's risk profile and be adequately captured by the risk management process.

### ***Types of derivatives the Fund can use and the rationale for their use:***

The Fund may use a range of derivatives to achieve a particular investment outcome such as:

<b>FDIs</b>	<b>Descriptions of FDIs</b>	<b>Rationale for their Use</b>
Options	The Fund may invest in call or put options on equities, indices, currencies, futures contracts or other instruments.	The Fund may use options as a substitute for investing directly in securities (e.g. call options) and for managing equity market risk (e.g. put options) and for gaining or adjusting exposure to particular markets, sectors or currencies (e.g. options on equity index/sector futures).
Futures	The Fund may enter into listed futures contracts on equities, indices, currencies or other instruments.	The Fund may use futures for managing equity market risk (e.g. equity sector futures) and for gaining or adjusting exposure to particular markets, sectors or currencies (e.g. equity index/sector futures).
Forwards	Typically, foreign exchange contracts.	The Fund may enter into forward contract to hedge the foreign currency for the hedged Classes and/or for portfolio currency hedging.
Swap	These may include total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps and swaps on baskets of equities, volatility swaps, variance swaps and credit default swap indices.	<p>The Fund may use swaps to gain access to the returns or hedge exposure to the underlying securities or indices.</p> <p>The Fund does not currently intend to use swaps. In the event if we think it is appropriate to do so, we will update this Prospectus accordingly before the Fund can start using it.</p>

5. The specific risks associated with the Fund will be updated to include the following:

- Currency Control Risk
- Country Risk

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