

Appendix

Updates to the underlying fund of P51 Franklin Mutual European (the “Affected Mirror Fund”) from the 27 March 2024 (the “Effective Date”)

Before the Effective Date	From the Effective Date
<p>Investment Policy</p> <p>The underlying fund principally invests in equity securities and debt securities convertible or expected to be convertible into common or preferred stock of companies incorporated or having their principal activities in European countries that the investment manager believes are available at prices less than their actual value based on certain recognised or objective criteria (fundamental value). These include common stocks, preferred stocks and convertible securities. The underlying fund invests predominantly its total net invested assets (being the underlying fund’s assets less any cash or cash equivalents) in the securities of issuers organised under the laws of or whose principal business operations are located in European countries. For purposes of the underlying fund’s investments, European countries means all of the countries that are members of the European Union, Eastern and Western Europe and those regions of Russia and the former Soviet Union that are considered part of Europe. The underlying fund currently intends to invest principally in securities of issuers in Western Europe. The underlying fund normally invests in securities from at least five different countries, although, from time to time, it may invest all of its assets in a single country. The underlying fund may invest up to 10% of its total net invested assets in securities of non-European issuers.</p> <p>Since the underlying fund Investment Manager considers that ESG factors can have a material impact on a company’s current and future corporate value, ESG considerations are an integral component of its fundamental bottom-up research. The research team of the underlying fund routinely evaluates material ESG issues in accordance with an internally established framework. For the avoidance of doubt, the underlying fund Investment Manager does not apply binding ESG criteria nor explicit ESG exclusions, and the underlying fund is not classified as an ESG fund, pursuant to the “Circular to management companies of SFC authorized unit trusts and mutual funds – ESG funds” issued by the SFC on 29 June 2021. The underlying fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganizations or as to which there exist tender or exchange offers, and may participate in such transactions. To a lesser extent, the underlying fund may also</p>	<p>Investment Policy</p> <p>The underlying fund principally invests in equity securities and debt securities convertible or expected to be convertible into common or preferred stock of companies incorporated or having their principal activities in European countries that the investment manager believes are available at prices less than their actual value based on certain recognised or objective criteria (fundamental value). These include common stocks, preferred stocks and convertible securities. The underlying fund invests predominantly its total net invested assets (being the underlying fund’s assets less any cash or cash equivalents) in the securities of issuers organised under the laws of or whose principal business operations are located in European countries. For purposes of the underlying fund’s investments, European countries means all of the countries that are members of the European Union, Eastern and Western Europe and those regions of Russia and the former Soviet Union that are considered part of Europe. The underlying fund currently intends to invest principally in securities of issuers in Western Europe. The underlying fund normally invests in securities from at least five different countries, although, from time to time, it may invest all of its assets in a single country. The underlying fund may invest up to 10% of its total net invested assets in securities of non-European issuers.</p> <p><i>The underlying fund Investment Manager also considers ESG factors as an integral component of its fundamental investment research and decision process. The Environmental and/or Social characteristics (within the meaning of Article 8 of the SFDR) promoted by the underlying fund are detailed in the section “SFDR PRE-CONTRACTUAL DISCLOSURE ANNEXES” of the underlying fund document. For the avoidance of doubt, the underlying fund is not classified as an ESG fund, pursuant to the “Circular to management companies of SFC authorized unit trusts and mutual funds - ESG funds” issued by the SFC on 29 June 2021.</i></p> <p>The underlying fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, but are not limited to, futures, options, contracts for difference, forward</p>

<p>purchase debt securities, both secured and unsecured, of companies involved in reorganization or financial restructuring.</p> <p>The underlying fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, swaps such as credit default swaps or synthetic equity swaps. The underlying fund may, through the use of financial derivative instruments, hold covered short positions provided that the long positions held by the underlying fund be sufficiently liquid to cover, at any time, its obligations resulting from its short positions.</p> <p>For the purpose of generating additional capital or income or for reducing costs or risks, the underlying fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the underlying fund only.</p>	<p>contracts on financial instruments and options on such contracts, swaps such as credit default swaps or synthetic equity swaps. The underlying fund may, through the use of financial derivative instruments, hold covered short positions provided that the long positions held by the underlying fund be sufficiently liquid to cover, at any time, its obligations resulting from its short positions.</p> <p>For the purpose of generating additional capital or income or for reducing costs or risks, the underlying fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the underlying fund only.</p>
<p>Investor's Profile</p> <p>The underlying fund is suitable for investors:</p> <ul style="list-style-type: none"> • seeking capital appreciation, which may occasionally be short term and to a lesser extent, income; • seeking investment in undervalued companies of any European country; and • planning to hold their investments for the medium to long term. 	<p>Investor's Profile</p> <p><i>Considering the investment objectives, as stated above, the underlying fund may appeal to investors looking to:</i></p> <ul style="list-style-type: none"> <i>• invest in a Fund compliant with Article 8 of the SFDR;</i> <i>• achieve capital appreciation, which may occasionally be short term and to a lesser extent, income; by investing in undervalued companies of any European country; and</i> <i>• invest for the medium to long term.</i>

Additional Risk Consideration to the underlying fund of the Affected Mirror Fund from the Effective Date:

Sustainability risk

The underlying fund Investment Manager considers that sustainability risks are relevant to the returns of the underlying fund. The integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the underlying fund and may also cause the underlying fund to sell investments that will continue to perform well.

Appreciation of sustainability risk is to a degree subjective and there is no guarantee that all investments made by the underlying fund will reflect beliefs or values of any particular investor on sustainable investments.

A sustainability risk could materialise as the occurrence of an environmental, social or governance event or condition causing material negative impact on the value of one or several investments and thus negatively affecting the returns of the underlying fund.

Sustainability risks can manifest themselves in different ways, such as but not limited to:

- failure to comply with environmental, social or governance standards resulting in reputational damage, causing fall in demand for products and services, or loss of business opportunities for a company or industry group,
- changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire industry's prospects for growth and development,
- changes in laws or regulations, may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher ESG standards. Prices of such securities may become more volatile if perception from market participants about companies adherence to ESG standards changes, and
- changes in laws or regulations, may incentivize companies to provide misleading information about their environmental, social or governance standards or activities.

Commonly considered sustainability risk factors are split into “Environment, Social, and Governance” (ESG), such as but not limited to the following topics:

Environment

- Climate mitigation
- Adjustment to climate change
- Protection of biodiversity
- Sustainable use and protection of water and maritime resources
- Transition to a circular economy, avoidance of waste, and recycling
- The avoidance and reduction of environmental pollution
- Protection of healthy ecosystems
- Sustainable land use

Social affairs

- Compliance with recognized labor law standards (no child and forced labor, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

Corporate Governance

- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- The facilitation of whistle-blowing
- Employee rights guarantees
- Data protection guarantees

Sustainability risks can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity.