MassMutual
FINANCIAL GROUP℠

**This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.**

The following change(s) in investment choice(s) relate(s) to the "FLEXI Series" investment plans, including FLEXI-Invest Insurance Plan, FLEXI-Education InvestPlan and FLEXI-Annuity Investment Plan.

As advised by BNP Paribas Investment Partners, there will be the following changes on the underlying funds with effect from November 16, 2015 (the "Effective Date").

**1. Various Changes/Updates to the Underlying Funds of the Investment Choices**

- *Equity Asia Ex-Japan Fund BP (BPEA)*
- *Equity China Fund BP (BPEC)*
- *Equity World Emerging Fund BP (BPEE)*
- *Equity World Energy Fund BP (BPER)*
- *Global Bond Fund BP (BPBO)*
- *Global Equity Fund BP (BPEQ)*
- *Global Balance Fund BP (BPBA)*
- *Global Growth Fund BP (BPGR)*
- *Global Steady Fund BP (BPST)*

***Changes of Threshold of Assets for Liquidation and Merger***

Pursuant to Article 32 of the Articles of Association of the underlying funds of the investment choices above, to allow greater flexibility and for better cost efficiency, the threshold of assets under which the board of directors reserves the right to liquidate or merge a category/ class of shares with another category/ class of shares of PARVEST will be increased from EUR 100,000 to EUR 1,000,000 or equivalent.

***Investment Restrictions***

Section 6 under APPENDIX 1 – INVESTMENT RESTRICTIONS of the prospectus of the underlying funds provides that in accordance with the principle of risk-spreading, an underlying fund shall invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State[1], one or more of its local authorities, a Third Country[2] part of the OECD, Brazil, Indonesia, Russia, Singapore and South Africa, or a public international body to which one or more Member States belong. The list will be changed to include People's Republic of China and India, and remove Indonesia due to minor amendments to the internal stock selection method/process.

***Swing Pricing***

The definition of "Swing Pricing" under the section "Net Asset Value" in the prospectus of the underlying funds will be updated for better clarity. The notion of swing pricing is applicable to sub-fund level, the mention of categories or classes will be removed from the definition. The definition is marked up as follows:

"*In certain market conditions, taking account of the volume of purchase and sale transactions in a given sub-fund~~, category, or class~~ and the size of these transactions, the board of directors may consider that it is in the interest of shareholders to calculate the NAV per share based on the purchase and sale prices of the assets and/or by applying an estimate of the difference between the buy and sell prices applicable on the markets on which the assets are traded. The board of directors may further adjust the NAV for transaction fees and sales commissions, provided these fees and commissions do not exceed 1% of the NAV of the sub-fund~~, category, or class~~ at that time.*"

***Other Updates and Enhancements***

- To add P-notes as example of transferable securities used by **Parvest Equity Best Selection Asia ex-Japan** and **Parvest Equity World Emerging**.
- To add the risk disclosure of "Tracking Error Risk" and enhance the disclosure of "Risk linked to Structured Debt Securities/Securitised Products" and "Risk related to Stock Connect" in APPENDIX 3 – INVESTMENT RISKS of the prospectus.
- To add the definition of "Asset-Backed Securities (ABS)", "Asset Securitisation" and "Agency – Non Agency MBS" to the Terminology section of the prospectus.
- To add the definition of "Collateralised Bond Obligation (CBO)", "Collateralised Debt Obligation (CDO)", "Collateralised Loan Obligation (CLO)", "Collateralised Mortgage Obligation (CMO)", "Commercial (or Collateralised) Mortgage Backed Security (CMBS)" to the Terminology section of the prospectus.
- To add the definition of "Mortgage Backed Security (MBS)", "Residential Mortgage Backed Security (RMBS)" and "To be Announced (TBA)" to the Terminology section of the prospectus and enhance the definition of "Structured Debt *Securities*" in the prospectus
- To add the definition of "Participatory Notes (P-Notes)" to the Terminology section of the prospectus and enhance the definition of "Stock Connect" in the prospectus
- Cosmetic changes and update throughout the prospectus

[1] "Member State" means member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts are considered as equivalent to Member States of the European Union.
[2] "Third Country" means a country other than a Member State.

2. **Clarification of the Distressed Securities to the Investment Policy of the Underlying Fund of the Investment Choices**
- *Global Bond Fund BP (BPBO)*
- *Global Balance Fund BP (BPBA)*
- *Global Growth Fund BP (BPGR)*
- *Global Steady Fund BP (BPST)*

To better reflect the current practice, should Parvest Bond World, the underlying fund of the investment choices above, ends up with any distressed securities as a result of a restructuring event or any event beyond the control of PARVEST, the portfolio manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the investors. **In any case, distressed securities will never represent more than 10% of the assets of the underlying fund**. Further, some clarification and cosmetic changes have been made to the relevant investment policy.

| Current Investment Policy | Revised Investment Policy |
|---|---|
| The underlying fund invests at least 2/3 of its assets in investment grade debt securities such as (but not limited to): treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **mortgage backed securities** (both agency and non-agency), corporate bonds including corporate high yield corporate bonds, **asset backed securities** and other structured **debts** and in financial derivative instruments on this type of asset.<br>The underlying fund is actively managed versus its benchmark the Barclays Global Aggregate. **The asset allocation, including structured debts, depends on target tracking error.** | The underlying fund invests at least 2/3 of its assets in investment grade debt securities such as (but not limited to): treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **Mortgage Backed Securities** (both agency and non-agency), corporate bonds including corporate high yield corporate bonds, **Asset Backed Securities** and other structured **debt** and in financial derivative instruments on this type of asset.<br>The underlying fund is actively managed versus its benchmark the Barclays Global Aggregate **Gross Return**. **The allocation to sub-asset classes, such as structured debt, depends in part on the level of risk budgeted.** |
| In the event the portfolio ends up with any **default/distressed** securities as a result of a **restricting** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS or UCI.<br>If these ratings criteria are not met, the manager shall adjust the portfolio's composition in the best interests of investors and in the timeliest manner. | In the event the portfolio ends up with any **distressed** securities as a result of a **restructuring** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. **In any case distressed securities will never represent more than 10% of the assets.** The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities,<br>money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS or UCI.<br>If these ratings criteria are not met, the manager shall adjust the portfolio's composition in the best interests of investors and in the timeliest manner. |

3. **Clarification of Exposure to Mainland China Securities for the Underlying Funds of the Investment Choices**
- *Equity Asia Ex-Japan Fund BP (BPEA)*
- *Equity World Emerging Fund BP (BPEE)*

To clarify the current investment limit of overall exposure (via both direct and indirect investment) to mainland China securities, the respective investment policy disclosure of the underlying funds of the investment choices above will be enhanced by adding the following paragraph at the end of each of the respective investment policy.

"*In respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities will not exceed 25% of its assets by investments in (i) "China A-Shares" via the Stock Connect, (ii) debt securities and (iii) financial derivative instruments on this type of assets.*"

The above changes will not have any material impact on the features and risks applicable to the underlying funds. The operation and the manner in which the underlying funds are being managed will not be changed. The changes will not result in any increase in fees or charges to be borne by the shareholders or the underlying funds. There will be no impact that may materially prejudice existing shareholders' rights or interests.

4. **Change of Investment Policy of the Underlying Fund of the Investment Choice**
- *Equity China Fund BP (BPEC)*

In order to allow Parvest Equity China, the underlying fund of the investment choice above, to gain greater exposure to mainland China securities in view of the recent market development, the limit to mainland China securities (via both direct and indirect investments) will be increased from 30% to 70% with effect from the Effective Date. The change of investment policy of the underlying fund is set out below.

| **Current Investment Policy** | **Revised Investment Policy** |
|---|---|
| At all times, the underlying fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered offices or conduct the majority of their business activities in China, Hong Kong or Taiwan.<br>The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UITS or UCI.<br>Financial derivative instruments may be used both for hedging and trading (investment) purposes.<br>In the respect of the above investments limits, the underlying fund's overall exposure (via both direct and indirect investments) to mainland China securities may reach up to 30% of its assets by investment in "China A Shares" via the RQFII and/or Stock Connect, debt securities and financial derivative instruments on this type of assets. | At all times, the underlying fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered offices or conduct the majority of their business activities in China, Hong Kong or Taiwan.<br>The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCI.<br>Financial derivative instruments may be used both for hedging and trading (investment) purposes.<br>In the respect of the above investments limits, the underlying fund's overall exposure (via both direct and indirect investments) to mainland China securities may reach up to ***70%*** of its assets by investment in "China A Shares" via the RQFII and/or Stock Connect, debt securities and financial derivative instruments on this type of assets . |

For the avoidance of doubt, the underlying fund may invest in mainland China securities via both direct investments and indirect investments. Direct investments refer to the investments in mainland China securities via Renminbi Qualified Foreign Institutional Investor program ("RQFII") and/or the Shanghai-Hong Kong Stock Connect program ("Stock Connect"), whereas indirect investments refer to investments in the mainland China securities using access products which are primarily participation notes (P-Notes) but may also be other similar securities and instruments linked to China A Shares, China B Shares and other equity and debt securities issued or settled in CNY. The respective maximum exposure of the aforementioned means will be as follows:

| **Means to invest in mainland China securities** | **Maximum Exposure (% of the underlying fund's NAV)** |
|---|---|
| RQFII | 30% |
| Stock Connect | 70% |
| Indirect Investments primarily P-Notes | 10% |

The allocation between RQFII, Stock Connect and indirect investments will be determined by the portfolio manager taken into consideration the quota availability, eligibility of the underlying securities to RQFII and Stock Connect, and cost of trading.

The fee structure of the underlying fund and the way financial derivative instruments are used will remain the same. As the underlying fund will be allowed to invest in mainland China securities up to 70%, the underlying fund will be subject to risk related to concentration in mainland China securities, higher risks related to investments in mainland China, particularly Stock Connect. In addition, the underlying fund will be subject to currency exchange risk.

**You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s) in relation to the above changes, which are made available by MassMutual Asia Ltd. upon request.**

**If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Please note that bid-offer spread and switching charge are applicable for switching between investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd at (852) 2919 9797 (Hong Kong)/ (853) 2832 2622 (Macau).**

# PARVEST

*Luxembourg SICAV - UCITS class*
*Registered office: 33 rue de Gasperich, L-5826 Hesperange*
*Luxembourg Trade and Company Register No. B 33363*

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

**Notice to Shareholders**

We are writing to inform you that the change of investment policy of PARVEST Equity China (the "Fund") with effect from 16 November 2015 (the "Effective Date") and it will be incorporated in the next version of the Hong Kong Offering Document.

In order to allow the Fund to gain greater exposure to mainland China securities in view of the recent market development, the limit to mainland China securities (via both direct and indirect investments) will be increased from 30% to 70% with effect from the Effective Date. The change of investment policy of the Fund is set out below.

| **Current Investment Policy** | **Revised Investment Policy** |
|---|---|
| At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered offices or conduct the majority of their business activities in China, Hong Kong or Taiwan.<br><br>The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCI.<br><br>Financial derivative instruments may be used both for hedging and trading (investment) purposes.<br><br>In the respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities may reach up to 30% of its assets by investment in "China A Shares" via the RQFII and/or Stock Connect, debt securities and financial derivative instruments on this type of assets. | At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered offices or conduct the majority of their business activities in China, Hong Kong or Taiwan.<br><br>The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCI.<br><br>Financial derivative instruments may be used both for hedging and trading (investment) purposes.<br><br>In the respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities may reach up to ***70%*** of its assets by investment in "China A Shares" via the RQFII and/or Stock Connect, debt securities and financial derivative instruments on this type of assets . |

For the avoidance of doubt, the Fund may invest in mainland China securities via both direct investments and indirect investments. Direct investments refer to the investments in mainland China securities via Renminbi Qualified Foreign Institutional Investor program ("RQFII") and/or the Shanghai-Hong Kong Stock Connect program ("Stock Connect"), whereas indirect investments refer to investments in the mainland China securities using access products which are primarily participation notes (P-Notes) but may also be other similar securities and instruments linked to China A Shares, China B Shares and other equity and debt securities issued or settled in CNY. The respective maximum exposure of the aforementioned means will be as follows:

| Means to invest in mainland China securities | Maximum Exposure (% of the Fund's NAV) |
|---|---|
| RQFII | 30% |
| Stock Connect | 70% |
| Indirect Investments primarily P-Notes | 10% |

The allocation between RQFII, Stock Connect and indirect investments will be determined by the portfolio manager taken into consideration the quota availability, eligibility of the underlying securities to RQFII and Stock Connect, and cost of trading.

The fee structure of the Fund and the way financial derivative instruments are used will remain the same. As the Fund will be allowed to invest in mainland China securities up to 70%, the Fund will be subject to risk related to concentration in mainland China securities, higher risks related to investments in mainland China, particularly Stock Connect. In addition, the Fund will be subject to currency exchange risk. Please refer to Appendix 1 for the detail of the risk factors.

Shareholders who do not agree to the change may request redemption of their shares free of charge from the date of this notice until 13 November 2015.

The Board of Directors of PARVEST accepts responsibility for the accuracy of the contents of this notice.

Hong Kong shareholders may contact BNP Paribas Investment Partners Asia Limited, the Hong Kong Representative of PARVEST, at (852) 2533 0088 for questions.

9 October 2015

**The Board of Directors**

## Appendix 1

### 1. Risks related to Concentration in Mainland China Securities

Investors should note that the Fund may invest substantially in mainland China securities. Although the Fund's investment portfolio may be diversified in terms of the underlying investments, the Fund is likely to be more volatile than funds which comprise broad-based global investments. They may be more susceptible to adverse fluctuations in value resulting from adverse conditions in China and the Fund's value may be adversely affected.

### 2. Specific Risks Related To Investments in Mainland China

Investing in the PRC carries a high degree of risk. Apart from the usual investment risks, investing in the PRC ("People's Republic of China) is also subject to certain other inherent risks and uncertainties.

Government intervention and restriction risk:

Prior to 1978, the PRC economy was centrally planned. Since 1978, however, China has implemented a series of economic reform programmes in an effort to revitalise its economy and improve living standards through the creation of a socialist market economy. The PRC government has also been continuing to reform its state-owned enterprises in order to increase their productivity, efficiency and profitability. In March 1999, the National People's Congress of the PRC amended China's Constitution to further confirm, as a constitutional matter, that individual and private sectors of the economy constitute an important component of China's socialist market economy and that legitimate rights and interests of individual and private sectors of the economy are protected by law. The economy of China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, state of development, growth rate, control of foreign exchange and allocation of resources.

The PRC government has in recent years implemented economic reform measures emphasising the utilisation of market forces in the development of the PRC's economy and a high level of management autonomy. However, there can 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 adjustment and modification of those economic policies may have an adverse impact on the securities markets in the PRC as well as on overseas companies which trade with or invest in the PRC.

The PRC legal system is a codified legal system. Unlike common law jurisdictions, decided cases do not form part of the legal structure of the PRC and prior court decisions may be cited for reference but have no binding effect. Experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is also limited. As such, the administration of the PRC laws and regulations may be subject to a certain degree of discretion by the authorities. The outcome of dispute resolutions may not have the level of consistency or predictability as in other countries with more developed legal systems. Due to such inconsistency and unpredictability, if the Fund should be involved in any legal dispute in the PRC, it may experience difficulties in obtaining legal redress or in enforcing its legal rights. Thus, there is no assurance that such inconsistency or future changes in legislation or the interpretation thereof may not have any adverse impact upon the investments and the performance of the Fund in the PRC.

PRC Political, Economic and Social Risks:

The economy of the PRC has experienced significant growth in the past twenty years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of the Fund. Further, political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the Fund may invest.

Government control of currency conversion and future movements in exchange rates:

Currently, the RMB is traded in two different and separated markets, i.e. one in the Mainland China, and one outside the Mainland China (primarily in Hong Kong). The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets. While the RMB traded outside the Mainland China, the CNH, is subject to different regulatory requirements and is more freely tradable, the RMB traded in the Mainland China, 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 Mainland China. 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 Fund or its Shareholders may be adversely affected. Generally speaking, the conversion of CNY into another currency for capital account transactions is subject to SAFE ("State Administration of Foreign Exchange") 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. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in the Fund.

Accounting and Reporting Standards:

PRC companies which may issue RMB securities to be invested by the Fund 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. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, less information may be available to the Fund and other investors. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

**Changes in PRC taxation risk:**

Investment in the Fund may involve risks due to fiscal measures that the Chinese government could impose on foreign investors. According to Circular 79 (caishui [2014] No.79), published on 14 November 2014, RQFIIs without an establishment or place in China are temporarily exempt from withholding tax on capital gains and business taxes on capital gains realised from the trading in direct equity investments in PRC enterprises with effect from 17 November 2014. Circular 81 (Caishui [2014] No.81), also published on 14 November 2014, provided that Northbound investors in Stock Connect (including the Fund) are temporarily exempt from withholding tax and Business tax on capital gains realised from the trading of A-Shares through Stock Connect. These exemptions are a temporary measure and there is no guidance on how long this will be in place and what measures (if any) will be announced if this exemption is eventually removed. Circular 155 (Caishui [2005] No.155) exempts Business Tax on gains derived from the trading in direct equity investments in PRC enterprises by QFIIs. It is uncertain whether RQFIIs benefit from the same exemption.

As the Fund did not make any direct equity investments in PRC enterprises prior to 17 November 2014, no provision was made in this regard. In light of the Circulars mentioned above, the Fund would not make a provision in respect of PRC withholding tax on capital gains derived from direct equity investments in PRC enterprises on and after 17 November 2014. The Fund may have to make a provision to cover potential taxes without prior notification in the event that an amendment to tax legislation were decided or expected or a removal of the current exemptions. Circular 79 did not provide an exemption from withholding tax on capital gains derived from non-equity assets and accordingly provision to cover such potential taxes will be made. The Fund would provide for PRC withholding tax of 10% on capital gains derived from the trading of non-equity investments.

Any tax provision made may be more than or less than the Fund's actual tax liabilities, which may potentially cause substantial loss to the Fund. Shareholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. In case of any shortfall between the provisions and the actual tax liabilities, which will be debited from the Fund's assets, the Fund's asset value will be adversely affected. In this case, existing and subsequent investors will be disadvantaged as they will bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment in the Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, persons who have already redeemed their Shares in the Fund before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision.

For dividends, interest and potentially other income, applicable PRC taxes are withheld at source at the moment of payment. Therefore, no provision is made in the NAV Calculation for these taxes. There can be no guarantee that new tax laws, regulations and practice in the PRC specifically relating to the RQFII regime or the Shanghai-Hong Kong Stock Connect may be announced in the future. Such new laws, regulations and practice may operate to the advantage or disadvantage of the investors due to the Fund's investments in the PRC market.

The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect.

**Risks related to RQFII investments**

RQFII Regulations:

The RQFII 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.

RQFII Quota:

The Investment Manager of the Fund[1] has obtained a RQFII license and has been granted a RQFII investment quota (the "RQFII Quota") through which the Investment Manager may invest on behalf of the Fund directly in China domestic securities. The Fund may not have exclusive use of the entire RQFII quota granted by SAFE to the Investment Manager as the Investment Manager may at its discretion to allocate its RQFII Quota to other products under its management. To the extent the Investment Manager has, on behalf of the Fund, utilised its entire RQFII Quota, the Investment Manager may, subject to any applicable regulations, apply for an increase of its RQFII quota. There can however be no assurance that additional RQFII quota can be obtained to fully satisfy subscription requests in the Fund, which may result in a need to close the Fund to further subscriptions, to reject and/or (pending receipt of additional RQFII Quota) to defer all or part of any new subscription requests, subject to the provisions of the Prospectus. On the other hand, the size of the quota may generally be reduced or cancelled by the relevant Chinese authorities if the RQFII is unable to use its RQFII quota effectively within one (1) year since the quota is granted. Also, regulatory sanctions may be imposed on RQFIIs if the latter (or the PRC Custodian – please see "PRC Custodian Risks" below) breach any provision of the RQFII Regulations, which could potentially result in the revocation of the RQFII quota or other regulatory sanctions that may impact on the portion of the RQFII Quota made available for investment by the Fund. Should the Investment Manager lose its RQFII status or its investment quota is revoked or reduced, the 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 RQFII Quota, which could have an adverse effect on its performance or result in a significant loss.

Investment Restrictions and Repatriation Risks:

The Fund may be impacted by the rules and restrictions under the RQFII 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 RQFIIs pursuant to the RQFII Regulations. Repatriations by RQFIIs in respect of the Fund, 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 Fund's ability to meet redemption requests from the Shareholders. In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategies, due to RQFII 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 RQFII's licence holder) and the Depositary have appointed a local sub-custodian approved by Chinese authorities (the "PRC Custodian") to maintain the Fund's assets in custody in the PRC, pursuant to relevant laws and regulations. Onshore PRC securities are registered in the name of "the full name of the Investment Manager – the name of the Fund" in accordance with the relevant rules and regulations, and maintained by the PRC Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("ChinaClear") and cash shall be maintained in a cash account with the PRC Custodian.

The Depositary will make arrangements to ensure that the PRC Custodian has appropriate procedures to properly safe-keep the Fund's securities, including maintaining records that clearly show that the Fund's securities are recorded in the name of the Fund and segregated from the other assets of the PRC Custodian. Investors should however note that cash deposited in the cash account of the Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Fund. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Fund will not have any proprietary rights to the cash deposited in such cash account, and will be treated and ranked an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The Fund 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

[1] BNP Paribas Asset Management S.A.S.

case the Fund will suffer losses. Also, the Fund may incur losses due to the acts or omissions of the PRC 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 Fund may suffer significant losses from the default, bankruptcy or disqualification of the PRC Brokers in performing their obligation (including execution or settlement of any transaction or transfer of monies 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 Fund 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 Fund, 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.

Specific risks related to investments in Mainland China equity securities:

In common with other emerging markets, the Chinese market may be faced with relatively low transaction volumes, and endure periods of lack of liquidity or considerable price volatility. The existence of a liquid trading market for Chinese A-Shares may depend on whether there is supply of, and demand for, such Chinese A-Shares. The price at which securities may be purchased or sold by the Fund and the net asset value of the Fund may be adversely affected if trading volumes on markets for Chinese A-Shares (Shanghai Stock Exchange and Shenzhen Stock Exchange) are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Fund. Subscriptions and redemptions of Shares in the Fund may also be disrupted accordingly.

Trading limitations Risk:

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges in the PRC on Chinese A-Shares, where trading in any Chinese A-Share on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Investment Manager to liquidate positions and can thereby expose the Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favourable price.

Fall in value:

Chinese A-Shares may fall in value. Investors may suffer losses as a result. The Fund is not principal guaranteed and the purchase of its Shares is not the same as investing directly in Chinese A-Shares.

Specific risk related to investments in Mainland China debt securities

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 Fund. 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.

## 3. Risks related to Stock Connect

Eligible securities:

Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors will be able to trade certain stocks listed on the Shanghai Stock Exchange ("SSE") market (i.e. "SSE Securities"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on Hong Kong Exchanges and Clearing Limited ("SEHK"), except the following:

(a) SSE-listed shares which are not traded in RMB; and
(b) SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review. If a stock is recalled from the scope of eligible securities for trading via Stock Connect, the stock can only be sold and cannot be bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible securities as provided and renewed from time to time by SSE and SEHK.

Differences in trading day:

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but the Fund cannot carry out any China A-Shares trading. The Fund may be subject to a risk of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result. This may adversely affect the Fund's ability to access mainland China and effectively pursue their investment strategies. This may also adversely affect the Fund's liquidity.

Settlement and Custody:

The Hong Kong Securities Clearing Company Limited ("HKSCC") will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The China A-Shares traded through Stock Connect are issued in scripless form, so the Fund will not hold any physical China A-Shares. The Fund should maintain the China A-Shares with its brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Trading fees:

In addition to paying trading fees in connection with China A-Shares trading, the Fund may be subject to new fees which are yet to be determined by the relevant authorities.

Quota limitations:

Stock Connect is subject to quota limitations. In particular, once the remaining balance drops to zero or the daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

Operational risk:

Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Clearing and settlement risk:

The HKSCC and the China Securities and Depository and Clearing Corporation Limited ("ChinaClear") will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. Should ChinaClear be declared as a defaulter, HKSCC's liabilities in trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Regulatory risk:

Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong from time to time. The regulations are untested and there is no certainty as to how they will be applied.

Ownership of China A-Shares:

China A-Shares acquired by the Fund through the Stock Connect are recorded in the name of HKSCC in its omnibus account held with ChinaClear. The China A-Shares are held in custody under the depository of ChinaClear and registered in the shareholders' register of the relevant listed Companies. HKSCC will record such China A-Shares in the CCASS stock account of the clearing participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner (nominee owner) of the China A-Shares holding the beneficial entitlement to the China A-Shares on behalf of the relevant clearing participant.

Under PRC law there is a lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership". The regulatory intention appears to be that the concept of "nominee owner" is recognised under PRC laws and that the overseas investors should have proprietary rights over the China A-Shares However, as the Stock Connect is a recent initiative there may be some uncertainty surrounding such arrangements. Accordingly, the Fund's ability to enforce its rights and interests in the China A-Shares may be adversely affected or suffer delay.

Currency:

SSE Securities will be traded and settled in RMB only. Hence, the Fund which is denominated in currency other than RMB will be subject to currency conversion risk.

Investor compensation:

Since the Fund will carry out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Further information about Stock Connect is available online at the website:

http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

## 4. Currency Exchange Risk

The Fund may hold assets denominated in currencies that differ from its reference currency, and may be affected by exchange rate fluctuations between the reference currency and the other currencies and by changes in exchange rate controls. If the currency in which a security is denominated appreciates in relation to the reference currency of the Fund, the exchange value of the security in the reference currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security and under such circumstances the Fund's value may be adversely affected and offset any positive return of the Fund. Investors may even suffer a significant loss as a result.

When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

# PARVEST

*Luxembourg SICAV - UCITS class*
*Registered office: 33 rue de Gasperich, L-5826 Hesperange*
*Luxembourg Trade and Company Register No. B 33363*

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

**Notice to Shareholders**

The following changes will be effective on 16 November 2015 (unless otherwise specified below) and will be incorporated in the next version of the Hong Kong Offering Document.

## A. Changes applicable to all sub-funds

***Changes of Threshold of Assets for Liquidation and Merger***

Pursuant to Article 32 of the Articles of Association of PARVEST, to allow greater flexibility and for better cost efficiency, the threshold of assets under which the Board of Directors reserves the right to liquidate or merge a category/ class of shares with another category/ class of shares of PARVEST will be increased from EUR 100,000 to EUR 1,000,000 or equivalent.

***Investment Restrictions***

Section 6 under APPENDIX 1 – INVESTMENT RESTRICTIONS of the Prospectus provides that in accordance with the principle of risk-spreading, a sub-fund shall invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country part of the OECD, Brazil, Indonesia, Russia, Singapore and South Africa, or a public international body to which one or more Member States belong. The list will be changed to include People's Republic of China and India, and remove Indonesia due to minor amendments to the internal stock selection method/process.

***Swing Pricing***

The definition of "Swing Pricing" under the section "Net Asset Value" in the Prospectus will be updated for better clarity. The notion of swing pricing is applicable to sub-fund level, the mention of categories or classes will be removed from the definition. The definition is marked up as follows:

"*In certain market conditions, taking account of the volume of purchase and sale transactions in a given sub-fund~~, category, or class~~ and the size of these transactions, the Board of Directors may consider that it is in the interest of shareholders to calculate the NAV per share based on the purchase and sale prices of the assets and/or by applying an estimate of the difference between the buy and sell prices applicable on the markets on which the assets are traded. The Board of Directors may further adjust the NAV for transaction fees and sales commissions, provided these fees and commissions do not exceed 1% of the NAV of the sub-fund~~, category, or class~~ at that time.*"

## B. Changes applicable to the sub-funds

***PARVEST Bond Asia ex-Japan***

To allow greater flexibility in currency hedging strategy, the following amendments would be made to PARVEST Bond Asia ex-Japan.

The last sentence of the Investment Policy "*After hedging, the sub-fund's exposure to currencies other than USD will not exceed 5%.*" will be removed.

Further, shares Classic H AUD MD (ISIN: LU0823379119) and Classic H SGD MD (ISIN: LU0823379465) would be revamped as Classic **R**H AUD MD and Classic **R**H SGD MD respectively.

RH categories refer to Return Hedged categories. These categories aim at hedging the portfolio return from reference currency (and not the underlying currency exposures) to the currency denomination of the category. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated). The currency of these categories appears in their denomination (for example, "Classic RH EUR" for a category hedged in EUR and the accounting currency of the sub-fund is USD).

***Distressed Securities***

To better reflect the current practice, should the following sub-funds end up with any distressed securities as a result of a restructuring event or any event beyond the control of PARVEST, the portfolio manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. **In any case, distressed securities will never represent more than 10% of the assets of the sub-funds**. Further, some clarification and cosmetic changes have been made to the relevant investment policy.

**PARVEST Bond USD**

| Current Investment Policy | Revised Investment Policy |
|---|---|
| This sub-fund invests at least 2/3 of its assets in USD denominated debt securities such as (but not limited to): US treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **mortgage backed securities** (both agency and non-agency), corporate bonds including high yield corporate bonds, **asset backed securities** and other structured **debts** securities and in financial derivative instruments on this type of asset.<br>The sub-fund is actively managed versus its benchmark (Barclays US Aggregate). **The asset allocation, including structured debts, depends on target tracking error.**<br>Exposure to structured debt securities including MBS, ABS, CMBS and derivatives on such securities, may exceed 20% of the **sub-fund NAV and shall not exceed twice the benchmark weight of the aggregate securitized sectors in the aforesaid Index.**<br>In the event the portfolio ends up with any **default/distressed** securities as a result of a **restricting** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS or UCI.<br>After hedging, the sub-fund's exposure to currencies other than USD will not exceed 5%. | This sub-fund invests at least 2/3 of its assets in USD denominated debt securities such as (but not limited to): US treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **Mortgage Backed Securities** (both agency and non-agency), corporate bonds including high yield corporate bonds, **Asset Backed Securities** and other structured **debt** securities and in financial derivative instruments on this type of asset.<br>The sub-fund is actively managed versus its benchmark (Barclays US Aggregate). **The allocation to sub-asset classes, such as structured debt, depends in part on the level of risk budgeted.**<br>Exposure to structured debt securities including MBS, ABS, CMBS and derivatives on such securities, may exceed 20% of the **assets**.<br>In the event the portfolio ends up with any **distressed** securities as a result of a **restructuring** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. **In any case distressed securities will never represent more than 10% of the assets.**<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS or UCI.<br>After hedging, the sub-fund's exposure to currencies other than USD will not exceed 5%. |

**PARVEST Bond USD Short Duration**

| Current Investment Policy | Revised Investment Policy |
|---|---|
| The sub-fund invests at least 2/3 of its assets in USD denominated debt securities such as US treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states | The sub-fund invests at least 2/3 of its assets in USD denominated debt securities such as US treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states |

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|---|---|
| transcend national boundaries), **mortgage backed securities** (both agency and non-agency), corporate bonds including high yield corporate bonds, **asset backed securities** and other structured **debts**, money market instruments and deposits, and in financial derivative instruments on this type of asset.<br>With regards to investments in structured **debts** the following ratios apply:<br>• 0-30% US Agency MBS<br>• 0-10% investment grade CMBS<br>• 0-10% investment grade ABS issued by corporate entities and denominated in USD<br>• No ABS Home Equity Loans, HELOC, CDOs nor CLOs is allowed<br>• Exposure to structured **debts** will not exceed 30% of the **NAV** with a combined limit of 10% for both ABS and CMBS.<br>In the event the portfolio ends up with any **default/distressed** securities as a result of a **restricting** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, financial derivative instruments or cash, and also, within a limit of 10% of the assets, in UCITS or UCIs.<br>The average duration of the portfolio does not exceed four years. | transcend national boundaries), **Mortgage Backed Securities** (both agency and non-agency), corporate bonds including high yield corporate bonds, **Asset Backed Securities** and other structured debt, money market instruments and deposits, and in financial derivative instruments on this type of asset.<br>With regards to investments in structured **debt** the following ratios apply:<br>• 0-30% US Agency MBS<br>• 0-10% investment grade CMBS<br>• 0-10% investment grade ABS issued by corporate entities and denominated in USD<br>• No ABS Home Equity Loans, HELOC, CDOs nor CLOs is allowed<br>• Exposure to structured **debt** will not exceed 30% of the **assets** with a combined limit of 10% for both ABS and CMBS.<br>In the event the portfolio ends up with any **distressed** securities as a result of a **restructuring** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. **In any case distressed securities will never represent more than 10% of the assets.**<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, financial derivative instruments or cash, and also, within a limit of 10% of the assets, in UCITS or UCIs.<br>The average duration of the portfolio does not exceed four years. |

**PARVEST Bond World**

| **Current Investment Policy** | **Revised Investment Policy** |
|---|---|
| This sub-fund invests at least 2/3 of its assets in investment grade debt securities such as (but not limited to): treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **mortgage backed securities** (both agency and non-agency), corporate bonds including corporate high yield corporate bonds, **asset backed securities** and other structured **debts** and in financial derivative instruments on this type of asset.<br>The sub-fund is actively managed versus its benchmark the Barclays Global Aggregate. **The asset allocation, including structured debts, depends on target tracking error.**<br>In the event the portfolio ends up with any **default/distressed** securities as a result of a **restricting** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS | This sub-fund invests at least 2/3 of its assets in investment grade debt securities such as (but not limited to): treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), **Mortgage Backed Securities** (both agency and non-agency), corporate bonds including corporate high yield corporate bonds, **Asset Backed Securities** and other structured **debt** and in financial derivative instruments on this type of asset.<br>The sub-fund is actively managed versus its benchmark the Barclays Global Aggregate **Gross Return**. **The allocation to sub-asset classes, such as structured debt, depends in part on the level of risk budgeted.**<br>In the event the portfolio ends up with any **distressed** securities as a result of a **restructuring** event or any event beyond the control of the company, the manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. **In any case distressed securities will never represent more than 10% of the assets.**<br>The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, |

| | |
|---|---|
| or UCI.<br>If these ratings criteria are not met, the manager shall adjust the portfolio's composition in the best interests of investors and in the timeliest manner. | money market instruments, financial derivative instruments or cash, and up to 10% of its assets may be invested in UCITS or UCI.<br>If these ratings criteria are not met, the manager shall adjust the portfolio's composition in the best interests of investors and in the timeliest manner. |

***Mainland China Securities***

To clarify the current investment limit of overall exposure (via both direct and indirect investment) to mainland China securities, the respective investment policy disclosure of **PARVEST Equity Best Selection Asia ex-Japan**, **PARVEST Equity High Dividend Pacific, PARVEST Equity World Emerging** and **PARVEST Green Tigers** will be enhanced by adding the following paragraph at the end of each of the respective investment policy.

"*In respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities will not exceed 25% of its assets by investments in (i) "China A-Shares" via the Stock Connect, (ii) debt securities and (iii) financial derivative instruments on this type of assets.*"

***Other Updates and Enhancements***

- To add P-notes as example of transferable securities used by **PARVEST Equity Best Selection Asia ex-Japan**, **PARVEST Equity World Emerging**, **PARVEST Green Tigers**, **PARVEST Real Estate Securities Pacific** and **PARVEST Real Estate Securities World**.

- To add the risk disclosure of "Tracking Error Risk" and enhance the disclosure of "Risk linked to Structured Debt Securities/Securitised Products" and "Risk related to Stock Connect" in APPENDIX 3 – INVESTMENT RISKS of the Prospectus.

- To add the definition of "Asset-Backed Securities (ABS)", "Asset Securitisation" and "Agency – Non Agency MBS" to the Terminology section of the Prospectus.

- To add the definition of "Collateralised Bond Obligation (CBO)", "Collateralised Debt Obligation (CDO)", "Collateralised Loan Obligation (CLO)", "Collateralised Mortgage Obligation (CMO)", "Commercial (or Collateralised) Mortgage Backed Security (CMBS)" to the Terminology section of the Prospectus.

- To add the definition of "Mortgage Backed Security (MBS)", "Residential Mortgage Backed Security (RMBS)" and "To be Announced (TBA)" to the Terminology section of the Prospectus and enhance the definition of "Structured Debt *Securities*" in the Prospectus

- To add the definition of "Participatory Notes (P-Notes)" to the Terminology section of the Prospectus and enhance the definition of "Stock Connect" in the Prospectus

- To update the respective Board of Directors of PARVEST and the Management Company

- To clarify that the underlined wording would be added into the current disclosure under APPENDIX 4 – LIQUIDATION, MERGER, TRANSFER ANS SPLITTING PROCEDURES of the Prospectus to the effect that in the event of liquidation of PARVEST, net asset not distributed ***at the time of the closure of the liquidation and at the latest*** within a maximum period nine months effective from the date of the liquidation will be deposited at the Public Trust Office until the end of the legally specified limitation period.

- Cosmetic changes and update throughout the Prospectus

The above changes will not have any material impact on the features and risks applicable to PARVEST and its sub-funds. The operation and the manner in which PARVEST and its sub-funds are being managed will not be changed. The changes will not result in any increase in fees or charges to be borne by the shareholders or the sub-funds of PARVEST. There will be no impact that may materially prejudice existing shareholders' rights or interests.

Shareholders who do not agree with the above changes may request redemption of their shares free of charge from the date of this notice until 13 November 2015.

The Board of Directors of PARVEST accepts responsibility for the accuracy of the contents of this notice.

Hong Kong shareholders may contact BNP Paribas Investment Partners Asia Limited, the Hong Kong Representative of PARVEST, at (852) 2533 0088 for questions.

9 October 2015

**The Board of Directors**