ASG DYNAMIC INCOME FUND

Introduction

The Sub-Fund ASG DYNAMIC INCOME Fund (hereafter the "**Fund**"), was launched in 2014.

Any reference to "Fund" in this Annex shall be to "LFPartners Investment Funds – ASG DYNAMIC INCOME FUND".

Investment Objective

The Fund's objective is to achieve capital gains through strategic allocation of its assets in a global diversified income-generating portfolio. The portfolio is structured with a mix of fixed income products and alternative income asset classes, such as Master Limited Partnerships ("MLPs") Dividend generating Equities and Real Estate Investment Trusts ("REITs"). Through a dynamic investment approach, ASG DYNAMIC INCOME Fund strategically invests in investment companies with robust balance sheets and sustainable earnings patterns that will deliver a performance over and above an equivalent static portfolio. In addition, a flexible allocation method is used to achieve consistent risk adjusted returns.

The ASG DYNAMIC INCOME Fund will offer investors the possibility to invest in a portfolio mainly composed of fixed income products, such as Bonds, Convertible Bonds, Subordinated Debts, Hybrids, Preferred Securities and Contingent Convertible Bonds.

The ASG DYNAMIC INCOME Fund may also invest in Undertaking for Collective Investments in Transferable Securities ("**UCITS**") under the EC Directive 2009/65 of 13 July 2009, and Exchange Traded Funds ("**ETFs**").

Whilst the diversification and risk mitigation will be optimum, market risks are going to remain. The ASG DYNAMIC INCOME Fund may then not be able to meet its objective.

The ASG Dynamic Income Fund is suitable for investors who:

1. seek capital growth; and
2. understand the risks of investing in fixed income and alternative income asset classes instruments.

Investment Policy

The ASG DYNAMIC INCOME Fund may be fully invested in fixed income instruments within the limits as defined in the Law, gaining exposure in carefully selecting investments in companies based on the following characteristics:

- Their financial stability, cash flow and franchise. The Fund seeks to determine the investment's income producing sustainability over time;
- Their geographical exposure and sector of business. The fund will analyse the geographical environment as well as the activity sector of their operations;
- Regulatory factors that can or could impact their activity;
- Historical trends and the specifics of their business. The fund will analyse profit performance trends, market capitalisation, share ownership to determine the potential business strengths and weaknesses.

The weighting of each type of securities in the portfolio of the ASG DYNAMIC INCOME Fund will depend on the prevailing market opportunities and foreseen evolution of these targeted markets or companies.

Cash and cash equivalents may be held on an ancillary basis. From time to time, depending on the conditions of financial markets, the ASG DYNAMIC INCOME Fund may be substantially disinvested.

Valuation Day

The Fund is going to be valued on each Business Day. The Fund's net asset value will be calculated on the next following Business Day (the "**Valuation Day**"). If the Valuation Day is a bank holiday in the Grand Duchy of Luxembourg, then the net asset value per share is going to be computed on the next banking day.

Risk Profile

- The investment value of Shareholders may fall as well as rise and Shareholders may get back less than they originally invested.
- The value of the portfolio may go down as well as up in response to the performance of individual contracts and behaviour of the respective underlying as well as currencies fluctuations.
- Specific risks in connection with Fixed Income Instruments:

  - *Interest Rate Risk* **–** The market value of the securities will be inversely affected by movements in interest rates. When rates rise, market prices of existing debt securities fall as these securities become less attractive to investors when compared to higher coupon new issues. As prices decline, bonds become cheaper so the overall return, when taking into account the discount, can compete with newly issued bonds at higher yields. When interest rates fall, market prices on existing fixed income securities tend to rise because these bonds become more attractive when compared to the newly issued bonds priced at lower rates.

  - *Price Risk* **–** Investors who need access to their principal prior to maturity have to rely on the secondary market to sell their securities. The price received may be more or less than the original purchase price and may depend, in general, on the level of interest rates, time to term, credit quality of the issuer and liquidity. Among other reasons, prices may also be affected by current market conditions, or by the size of the trade (prices may be different for 10 bonds versus 1,000 bonds), etc. It is important to note that selling a security prior to maturity may affect actual yield received, which may be different than the yield at which the bond was originally purchased. This is because the initially quoted yield assumed holding the bond to term.

  - *Liquidity Risk* **–** Liquidity risk is the risk that an investor will be unable to sell securities due to a lack of demand from potential buyers, sell them at a substantial loss and/or incur substantial transaction costs in the sale process. Broker/dealers, although not obligated to do so, may provide secondary markets.

  - *Reinvestment Risk* **–** Downward trends in interest rates also create reinvestment risk, or the risk that the income and/or principal repayments will have to be invested at lower rates. Reinvestment risk is an important consideration for investors in callable securities. Some bonds may be issued with a call feature that allows the issuer to call, or repay, bonds prior to maturity. This generally happens if the market rates fall low enough for the issuer to save money by repaying existing higher coupon bonds and issuing new ones at lower rates. Investors will stop receiving the coupon payments if the bonds are called. Generally, callable fixed income securities will not appreciate in value as much as comparable non-callable securities.

- *Prepayment Risk* **–** Similar to call risk, prepayment risk is the risk that the issuer may repay bonds prior to maturity. This type of risk is generally associated with mortgage-backed securities. Homeowners tend to prepay their mortgages at times that are advantageous to their needs, which may be in conflict with the holders of the mortgage-backed securities. If the bonds are repaid early, investors face the risk of reinvesting at lower rates.

- *Purchasing Power Risk***–** Fixed income investors often focus on the real rate of return, or the actual return minus the rate of inflation. Rising inflation has a negative impact on real rates of return because inflation reduces the purchasing power of the investment income and principal.

- *Credit Risk***–** The safety of the fixed income investor's principal depends on the issuer's credit quality and ability to meet its financial obligations, such as payment of coupon and repayment of principal at maturity. Rating agencies assign ratings based on their analysis of the issuer's financial condition, economic and debt characteristics, and specific revenue sources securing the bond. Issuers with lower credit ratings usually have to offer investors higher yields to compensate for additional credit risk. A change in either the issuer's credit rating or the market's perception of the issuer's business prospects will affect the value of its outstanding securities. Ratings are not a recommendation to buy, sell or hold and may be subject to review, revision, suspension or reduction, or may be withdrawn at any time. If a bond is insured, attention should be given to the credit worthiness of the underlying issuer or obligor on the bond as the insurance feature may not represent additional value in the marketplace or may not contribute to the safety of principal and interest payments.

- *Capital Structure***–** It is important to know and understand how fixed income securities are ranked in the capital structure of the issuer. The ranking of a fixed income security is yet another factor that may affect its price. It determines the order of repayment priority by the issuer. Most bonds are unsecured debentures or promises to pay and do not have assets pledged to support the bond payments. They can be ranked senior, subordinated, or lower in the capital structure. Preferred securities are typically ranked below corporate bonds in repayment priority.

- *Default Risk***–** The risk of default is the risk that the issuer will not be able to make interest payments and/or return the principal at maturity. Professional advice and, in many cases, professional management, are key elements of successful financial planning. Bonds, by their very nature, provide investors with an opportunity to initiate investment strategies that complement individual objectives. Those who wish to optimize the bond market opportunities created by movements in interest rates may wish to seek professional management. On the other hand, investors who want to create a sound portfolio foundation based on predictable returns and reduced risk may choose to implement fixed income investment strategies that suit their individual needs and risk tolerance.

- Further information about risks can be found in Section "Principal Risk".

Share Class Characteristics

Classes of Shares	**Pricing Currency**	**Dividend Policy**	**Management Company Fee (including the investment advisory fees)***
A1	USD	Capitalisation of income	up to 2.28%
A1-Dis	USD	Distribution of income **	up to 2.28%
A2	EUR Hedged ****	Capitalisation of income	up to 2.28%
A2-Dis	EUR Hedged ****	Distribution of income **	up to 2.28%
B1	USD	Capitalisation of income	up to 0.28%
B1-Dis	USD	Distribution of income **	up to 0.28%
B2	EUR Hedged ****	Capitalisation of income	up to 0.28%
B2-Dis	EUR Hedged ****	Distribution of income **	up to 0.28%
C1-Dis***	USD	Distribution of income **	up to 2,28%
C2-Dis***	EUR Hedged ****	Distribution of income **	up to 2,28%
I1 Institutional Investors	USD	Capitalisation of income	up to 1.58%
I1-Dis Institutional Investors	USD	Distribution of income **	up to 1.58%
I2 Institutional Investors	EUR Hedged ****	Capitalisation of income	up to 1.58%
I2-Dis Institutional Investors	EUR Hedged ****	Distribution of income **	up to 1.58%

*Depending on the assets under management and subject to a yearly minimum fixed fee of EUR 49,460 (VAT excluded and all fixed fee being converted into Euro). Depending on the Pricing Currency, the above Management Company Fees may be subject to exchange rate fluctuations.

** Distribution of income may occur two times per annum: on January (on the basis of the NAV computed on the last Valuation Day of December of the previous year) and on July (on the basis of the NAV computed on the last Valuation Day of June).

*** This Share Class is offered to investors specially approved by the Board of Directors.

**** This Share Class is Hedged Share Class.

Management Company Fee

The Management Company will receive a Management Company Fee paid by the Fund. On each Valuation Day (as this term is defined below), the Management Company Fee is equal to the Net Asset Value (before deduction of the Management Company Fee) on such Valuation Day, multiplied by the Management Company Fee and multiplied by the number of calendar days between such Valuation Day and the immediately preceding Valuation Day, divided by 365 (or 366, if applicable).

The Fund shall also pay to the Management Company fixed fees inherent to domiciliation, KIID and risk management services, which are included in the above maximum Management Company Fee.

The Management Company Fee is normally payable by the Fund on a monthly basis within fifteen (15) Business Days following the last Valuation Day of the preceding month.

Initial Issue of Shares

Shares were initially available at an initial price of:

Class of Shares A1, B1, C1 and I1: USD 100.00.

Class of Shares A2, B2, C2 and I2: EUR 100.00.

in each case, an "Initial Issue Price".

Subscriptions of Shares

Classes of Shares	ISIN Code	Minimum initial subscription amount	Minimum subsequent subscription amount	Subscription Day and Cut-Off Time
A1	LU1107613173	USD 1,000.00	USD 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
A1-Dis	LU1122782060	USD 1,000.00	USD 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
A2	LU1107613256	EUR 1,000.00	EUR 100.00	before 3 p.m. Luxembourg time on the 3rd Business

				Day preceding the Valuation Day.
A2-Dis	LU1122782144	EUR 1,000.00	EUR 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
B1	LU1107613330	USD 1,000,00	USD 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
B1-Dis	LU1122782227	USD 1,000,00	USD 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
B2	LU1107613413	EUR 1,000.00	EUR 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
B2-Dis	LU1122782490	EUR 1,000.00	EUR 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
C1-Dis	LU1834026095	USD 1,000.00	USD 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
C2-Dis	LU1834026178	EUR 1,000.00	EUR 100.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
I1 Institutional Investors	LU1107613504	USD 1,000,000.00	USD 1,000.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
I1-Dis Institutional Investors	LU1122782573	USD 1,000,000.00	USD 1,000.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.
I2	LU1107613686	EUR 1,000,000.00	EUR 1,000.00	before 3 p.m. Luxembourg time on the 3rd Business

Institutional Investors				Day preceding the Valuation Day.
I2-Dis Institutional Investors	LU1122782656	EUR 1,000,000.00	EUR 1,000.00	before 3 p.m. Luxembourg time on the 3rd Business Day preceding the Valuation Day.

Where:

"Valuation Day" is each Business Day of the week or such other and/or additional day(s) that the Board of Directors may determine from time to time.

Shares are issued at the relevant Net Asset Value per Share on the Valuation Day. The settlement in cleared funds should be received within a period of three (3) Business Days after the Valuation Day. Shares are available for subscription on any Subscription Day at the Net Asset Value per Share of the relevant Class calculated on the relevant Valuation Day.

The Board of Directors, in its discretion, can modify the Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount at any time for any Class. The Fund may issue further Shares that may be denominated in different currencies.

The Fund may not accept payment for subscriptions in the Fund in the form of securities and other assets as stipulated in Part I under "*Subscription, Transfer and Redemption of Shares*".

Subscription Fee

Classes of Shares A1, A1-Dis, A2, A2-Dis, I1, I1-Dis, I2 and I2-Dis: a maximum subscription fee of up to 2% is payable to the Management Company who may distribute it in its channel of authorised Distributors.

Classes of Shares B1, B1-Dis, B2 and B2-Dis: a maximum subscription fee of up to 5% is payable to the Management Company who may distribute it in its channel of authorised Distributors.

Classes of Shares C1-Dis and C2-Dis: there is no subscription fee.

Share Creation Charge

Classes of Shares C1-Dis and C2-Dis

Each subscription in Classes of Shares C1-Dis and C2-Dis (the "**Investment**") will be subject to a Share Creation Charge ("**SCC**") of 5% of the amount of such Investment paid to the Management Company, Distributor and/ or intermediatries. The SCC will be borne by the Fund but will not fully impact the Net Asset Value of the relevant Classes on the date of the subscription: the SCC will be accrued for sixty (60) months and charged to the Fund on each Net Asset Value by amortising back the accrued SCC to the Fund over the same period of sixty (60) months from the date of each subscription. This mechanism is in the benefit of the investors since the total amount of the subscribed amount is invested in the Fund as from the date of the subscription and the SCC of 5% is not charged one shot in the profits and losses account of the Fund but are amortised on each Net Asset Value over sixty (60) months.

In case of redemption of Share Classes C1-Dis and C2-Dis in the five (5) years following the Investment (the "Redemption"), the SCC will extinct and the write off of the remaining accrual will be materialized by the Contingent Differed Sales Charge ("CDSC") computed on a pro rata temporis, as outlined below, so as to compensate the 5% SCC borne by the Fund:

- Year 1 (after the subscription): 5% of the redemption proceed pro rata temporis;
- Year 2: 4% of the redemption proceed pro rata temporis;
- Year 3: 3% of the redemption proceed pro rata temporis;
- Year 4: 2% of the redemption proceed pro rata temporis;
- Year 5: 1% of the redemption proceed pro rata temporis.

The CDSC might be deducted from the redemption price owed to the Shareholder following the Redemption. In that regard, no CDSC will be borne by the Shareholder at the end of the five (5) years period.

Redemptions of Shares

Shares may generally be redeemed on each Redemption Day at a price per share based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Class A1 Shares, Class A1-Dis Shares, Class B1 Shares, Class B1-Dis Shares, Class C1-Dis Shares, Class I1 Shares and Class I1-Dis Shares

Minimum Redemption Amount	**Redemption Day and Cut-Off Time**	**Payment Day**
None	before 3 p.m. Luxembourg time on the Business Day preceding the Valuation Day	Within 3 Business Days following the relevant Valuation Day

Class A2 Shares, Class A2-Dis Shares, Class B2 Shares, Class B2-Dis Shares, Class C2-Dis Shares, Class I2 Shares and Class I2-Dis Shares

Minimum Redemption Amount	**Redemption Day and Cut-Off Time**	**Payment Day**
None	before 3 p.m. Luxembourg time on the Business Day preceding the Valuation Day	Within 3 Business Days following the relevant Valuation Day

Redemption applications must be received by fax before 3 p.m. Luxembourg time on a Redemption Day (as defined above). If an application is received after 3 p.m., it may be processed on the next relevant Valuation Day.

When there is insufficient liquidity in the relevant Share Class due to exceptional circumstances, the Board of Directors reserves the right to postpone the payment of redemption orders of that Class of Shares until the sale of corresponding assets has been made without delay.

The Fund will not accept redemptions in specie as stipulated in Part I under "*Subscription, Transfer and Redemption of Shares*".

In the event of a compulsory redemption, the redemption price will be determined as of the close of business on the redemption date (which may be any Valuation Day) specified by the Board of Directors in its notice to the Shareholder. A shareholder whose Shares are compulsorily redeemed will have no Shareholder rights after the close of business on the date on which the notice of compulsory redemption was issued.

Redemption Fee

For all Share Classes: no redemption fee will be levied.

Charges and Expenses

See Part I under "*Charges and Expenses*".

Depositary Bank, Administrative, Registrar and Transfer Agent Fee

The Fund will pay to the Depositary Bank, the Administrator, the Registrar and Transfer Agent annual fees which will vary up-to a maximum of 0,5 % of the net asset value at the Fund level subject to a minimum fee per sub-fund of EUR 26.700 for Depositary Bank and Administrator activities and a minimum fee of EUR 24,000 for Registrar and Transfer Agent activities at the Fund level. These fees are payable on a monthly basis and do not include any transaction related fees, and costs of sub-custodians or similar agents. The Depositary Bank, the Administrator, the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees. The amount paid by the Fund to the Depositary Bank, the Administrator, the Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

Investment Advisory Fee

The Investment Advisor will be exclusively remunerated by the Management Company out of the Management Company Fee levied at the Fund's level, its remuneration being 1.60% (for Share Classes "A"), 0% (for Share Classes "B") or 0.8% (for Share Classes "I") out of such Management Company Fee. If any fees are paid to the Investment Advisor out of the net assets of the Fund, such fees shall be deducted from the fees payable to the Management Company, and may not, in aggregate, exceed the maximum Management Company Fee set out above.

Benchmark

For Share Classes A1, A1-Dis, B1, B1-Dis, C1-Dis, I1 and I1-Dis:
Barclays US Agg Credit Total Return Index Value Unhedged USD (LUCRTRUU).

For Share Classes A2, A2-Dis, B2, B2-Dis, C2-Dis, I2 and I2-Dis:
Barclays US Agg Credit Total Return Index Value Hedged EUR (LUCRTREH).

Global Risk Exposure and Risk Management

Commitment Approach will be used to compute the global risk exposure.

The Management Company, on behalf of the Fund, will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Fund.

The Management Company will calculate the global exposure of the Fund on a daily basis. This global exposure will be calculated using the Commitment Approach.

The Commitment Approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging techniques.

Leverage

The ASG DYNAMIC INCOME Fund does not intend to use leverage techniques.

Securities financing transactions

The Fund will not enter into security lending transaction or (reverse) repurchase agreement and will not invest in Total Return Swap ("TRS") or Contracts for Difference ("CFD"). As a result, the Fund is not subject to the CSSF Circular 14/592 and not subject to the Regulations (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

Reference Currency of the Fund

US Dollar (USD)

Investment Advisor of the Fund

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