

# ASCENCIA **INVESTORS' BRIEFING 2016**

At Voilà Hotel, Bagatelle Mall of Mauritius  
Monday 03 October 2016 at 14h30



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SECTION 1 :

**ASCENCIA, MAURITIUS'**  
LARGEST DOMESTIC RETAIL  
PROPERTY GROUP





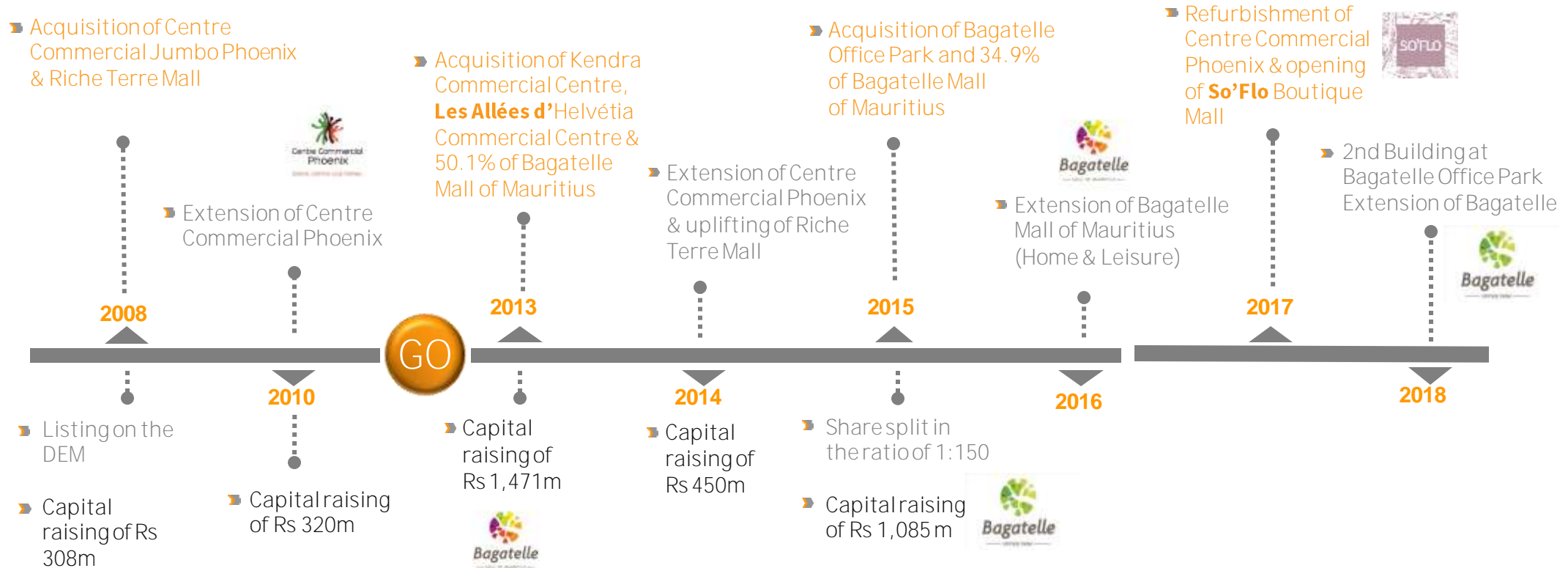
# WHO WE ARE

- Largest exclusively dedicated property company in Mauritius established since 2008.
- Our principal activity is to **acquire, invest and hold investments in commercial properties.**
- We position ourselves as **a yielding property company, delivering sustainable returns** to its shareholders and distributing **attractive dividend yields.**
- We hold top quality buildings with **high occupancy rates and strong tenant covenants.**



# OUR TRACK RECORD

A solid track record fuelled by major strategic acquisitions and an opportunistic capital structure



# STRATEGIC OVERVIEW

Ascencia wants to be a **GAME CHANGER** through a dynamic and sustainable growth approach to its investment property portfolio.

OUR  
**VISION**

OUR  
**VALUES**

- We act with integrity
- We aim to make a difference
- We care about our clients and shoppers
- We are passionate
- We outperform benchmarks
- We are dynamic
- We act as responsible citizens

HOW DO WE GET THERE?

By providing our visitors with access to a lifestyle that they deserve to have.

By providing superior returns to our shareholders.

By making our tenants successful.

We treasure **our stakeholders**

## TENANTS

We believe that building long trusting relationships with our tenants is a key element for success. We want to make our tenants successful.

## FUND PROVIDERS

We endeavour to maintain a close relationship with our fund providers and constantly aim to give them the best returns on their investment.

## SHOPPERS

We offer a safe and secure environment for shoppers to experience. Our aim is that they fully enjoy our malls.

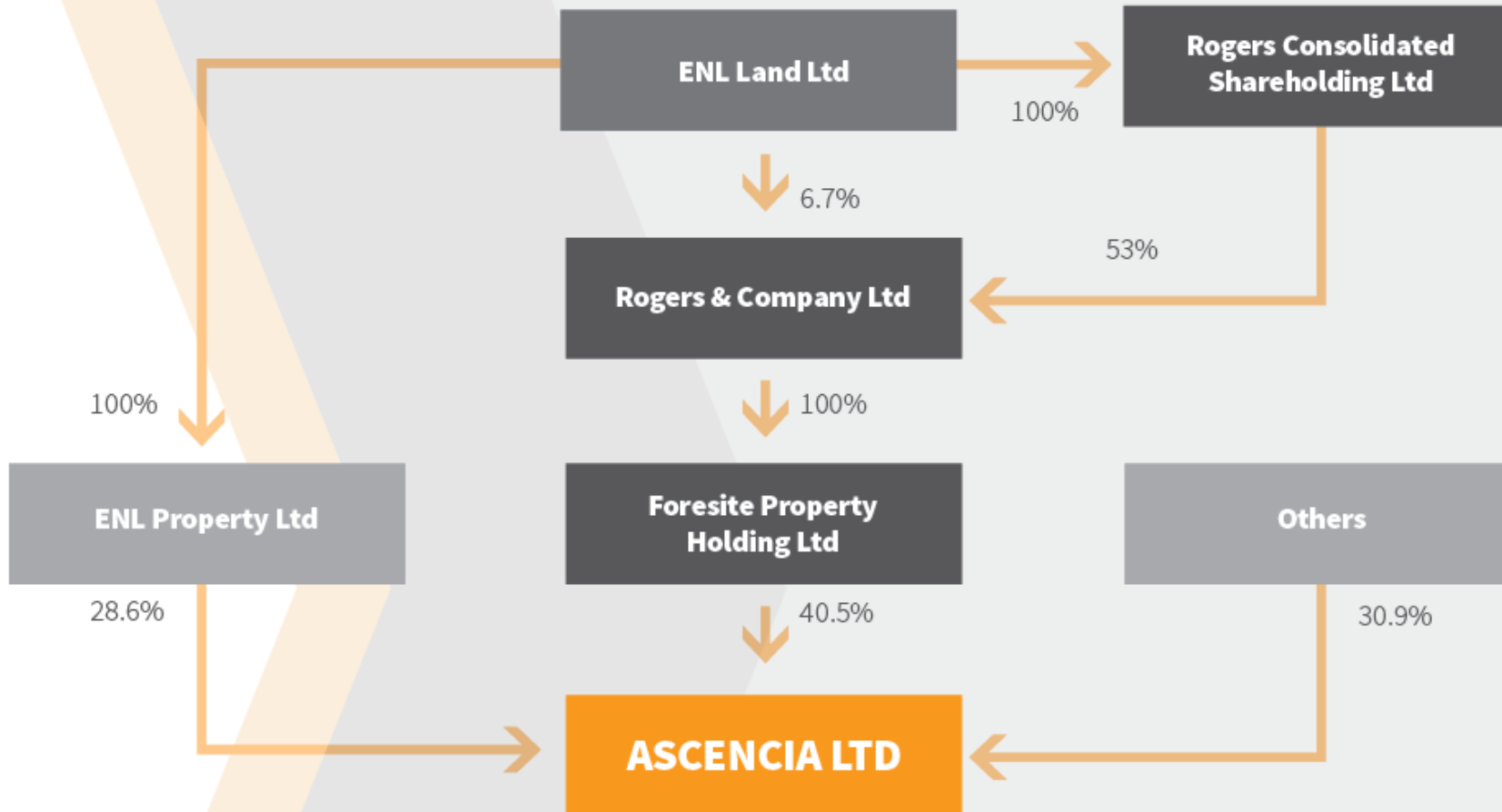
## COMMUNITY & ENVIRONMENT

We are a responsible Group which strives to include our community and environment in our business.



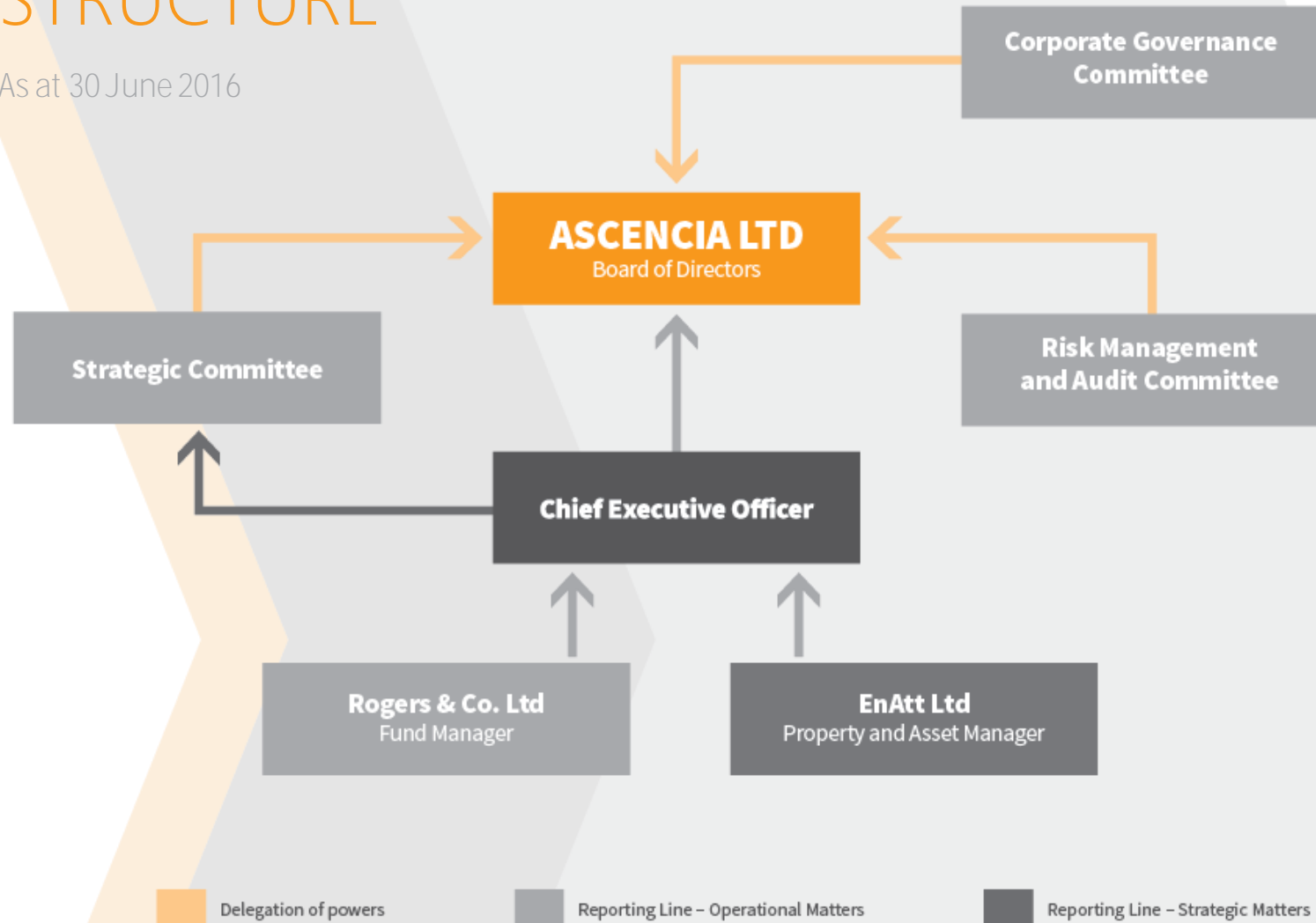
# EFFECTIVE SHAREHOLDING STRUCTURE

As at 30 June 2016



# MANAGEMENT STRUCTURE

As at 30 June 2016







# ASCENCIA AT A GLANCE



GROSS LETTABLE AREA

119,495sqm

AVERAGE YEARLY FOOTCOUNT

20m

AVERAGE OCCUPANCY RATE

95%

TURNOVER IN 2016

Rs 1.1 bn

PAT IN 2016

Rs 658 m

INVESTMENT PROPERTY PORTFOLIO

Rs 10.3 bn

## 2<sup>nd</sup> largest Capitalisation on the DEM Rs 5.2bn



# DIVERSIFIED PORTFOLIO OF PRIME PROPERTY ASSETS

## BAGATELLE MALL OF MAURITIUS

The country's leading shopping destination



GROSS LETTABLE AREA

**55,593 SQM**

As at 30 June 2016

NET OPERATING INCOME

**Rs 407m**

INVESTMENT PROPERTY VALUE (excluding land)

**Rs 5.9bn**

OCCUPANCY RATE

**98%**

AVERAGE MONTHLY FOOTCOUNT

**637,377**

## CENTRE COMMERCIAL PHOENIX

The first hypermarket on the island, which revolutionised shopping behaviour



GROSS LETTABLE AREA

**25,049 SQM**

As at 30 June 2016

NET OPERATING INCOME

**RS 130m**

INVESTMENT PROPERTY VALUE

**RS 2.1bn**

OCCUPANCY RATE

**N/A** due to ongoing works

AVERAGE MONTHLY FOOTCOUNT

**481,753**



# DIVERSIFIED PORTFOLIO OF PRIME PROPERTY ASSETS cont'd

## RICHE TERRE MALL

A convenient destination by the motorway to the northern part of the island



GROSS LETTABLE AREA	NET OPERATING INCOME	INVESTMENT PROPERTY VALUE	OCCUPANCY RATE	AVERAGE MONTHLY FOOTCOUNT
<b>20,400 SQM</b>	<b>Rs 98m</b>	<b>Rs 1.2bn</b>	<b>100%</b>	<b>287,497</b>

As at 30 June 2016

## LES ALLÉES D'HELVÉTIA COMMERCIAL CENTRE

A modern convenient shopping facility located in Moka



GROSS LETTABLE AREA	NET OPERATING INCOME	INVESTMENT PROPERTY VALUE	OCCUPANCY RATE
<b>2,477 SQM</b>	<b>Rs 14m</b>	<b>Rs 151m</b>	<b>89%</b>

As at 30 June 2016

# DIVERSIFIED PORTFOLIO OF PRIME PROPERTY ASSETS cont'd

## KENDRA COMMERCIAL CENTRE

A convenient shopping destination at the heart of Saint Pierre



GROSS LETTABLE AREA	NET OPERATING INCOME	INVESTMENT PROPERTY VALUE (excluding land)	OCCUPANCY RATE	AVERAGE MONTHLY FOOTCOUNT
<b>4,363sqm</b>	<b>Rs 34m</b>	<b>Rs 385m</b>	<b>99%</b>	<b>197,465</b>

As at 30 June 2016

## BAGATELLE OFFICE PARK

A unique office park nestled on an executive golf course



GROSS LETTABLE AREA	NET OPERATING INCOME	INVESTMENT PROPERTY VALUE (excluding land)	OCCUPANCY RATE
<b>3,957 sqm</b>	<b>Rs 18m</b>	<b>Rs 297m</b>	<b>100%</b>

As at 30 June 2016



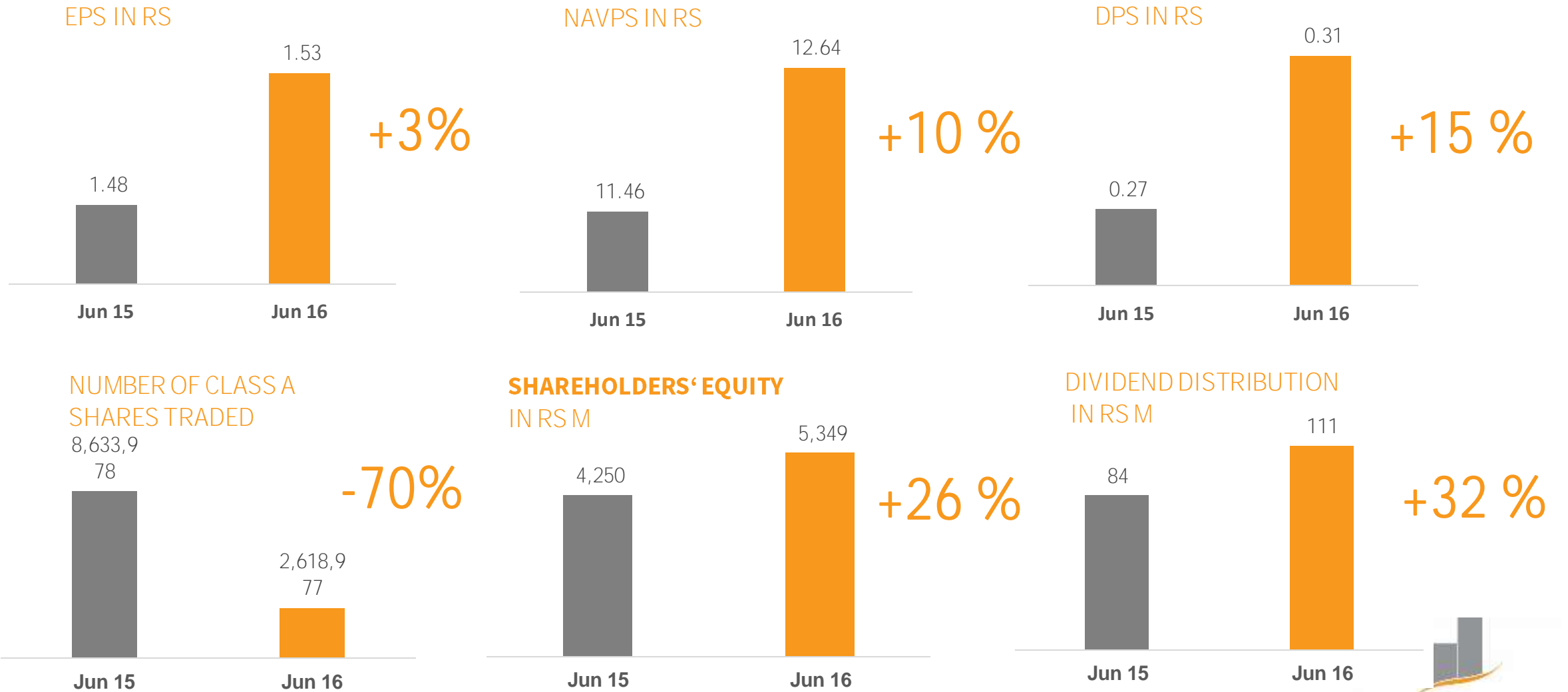


SECTION 2:  
THE FINANCIAL YEAR 2016 HAS  
BEEN MARKED BY A SUCCESSFUL  
FUND RAISING, STRONG  
OPERATIONAL PERFORMANCE AND  
MAJOR INVESTMENTS.





# HEADLINE NUMBERS



# A STRONG PERFORMANCE

- Increase in total assets principally attributable to:
  - Consolidation of Bagaprop Ltd and The Gardens of Bagatelle Ltd post acquisition.
  - Renovation works at Centre Commercial Phoenix
  - Development of the Home & Leisure node at Bagatelle Mall of Mauritius.
- Net operational income were positively impacted by cost containment measures, increased revenue and an in-depth review of the tenant mix.
- Fair value for the year amounted to Rs 380m (unconsolidated 2015: Rs 42m).

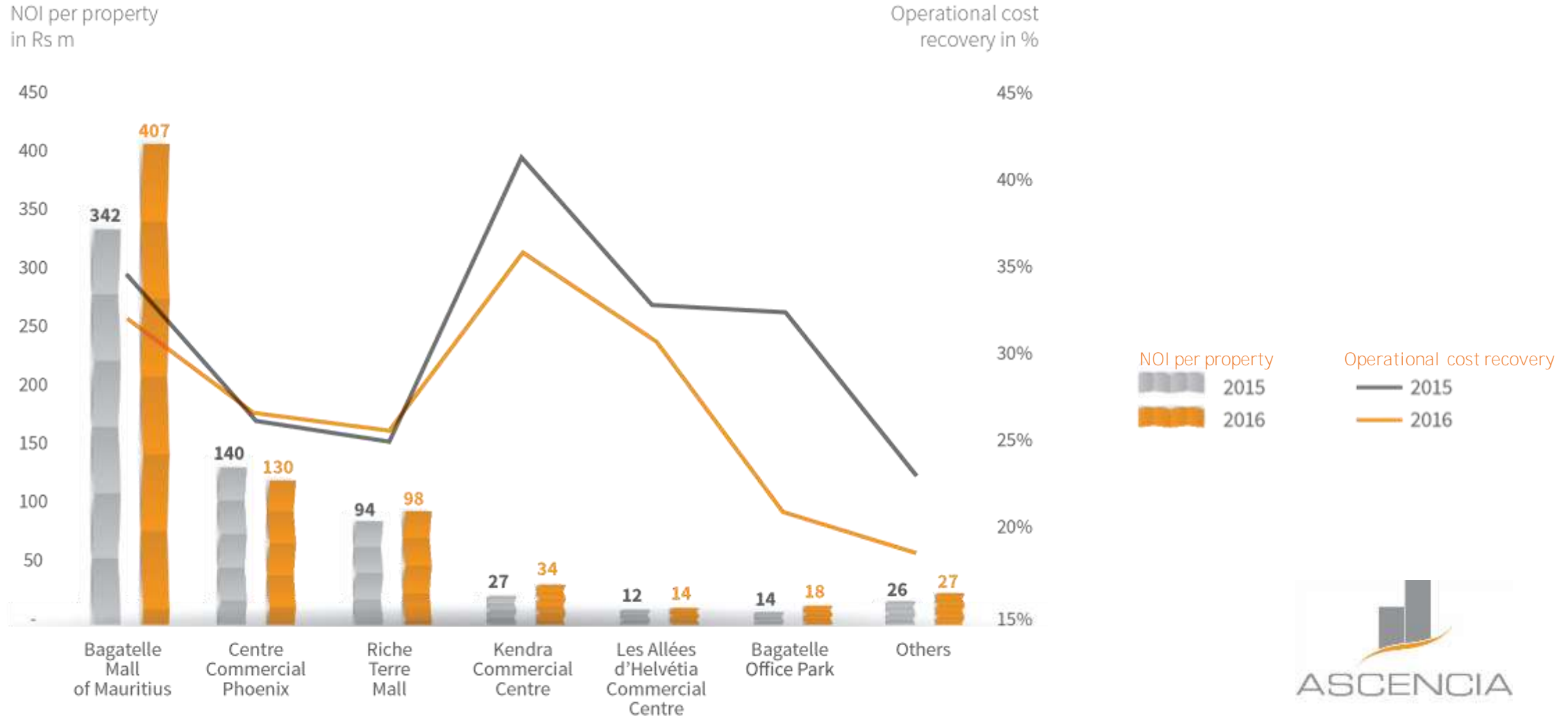
In Rs million	Group	Company
Condensed Balance Sheets	Jun-16	Jun-15
Non-current Assets	10,375	5,356
Total assets	10,840	5,536
Shareholders' equity	5,349	4,250
Total equity	5,899	4,250
Net indebtedness*	4,170	933
Total bank borrowings	3,918	989
Loan to value ratio	37.8%	18.5%
Net debt to equity	70.7%	21.9%

\*includes preference shares and debentures

In Rs million	Group	Company
Condensed Income Statements	Jun-16	Jun-15
Total revenue	1,043	418
Net operational income	727	300
Operating profit	630	232
Profit before finance costs	954	653
Profit after tax	658	532



# FUELLED BY INCOME GROWTH AND COST CONTAINMENT INITIATIVES ACROSS ALL OUR PROPERTIES.





SECTION 3:  
OUR PROPERTIES HAVE BEEN  
VALUED BY JLL, AN INDEPENDENT  
INTERNATIONAL PROPERTY  
VALUER.



# WHO IS JLL?

## Advisory

### VALUATION ADVISORY

- Project Appraisal
- Residual land valuation
- Financing & loan security
- IPOs & Listings
- Balance sheet / Accounting

### STRATEGIC CONSULTING

- Development & Asset Strategy
- Market & Feasibility Analysis
- Land Best Use Analysis
- Master Plan Development and Financial Advisory

## Hotels

### ADVISORY

- Development & Strategic Advisory
- Market & Feasibility Studies
- Valuations / Feasibility

### OWNERS SERVICES

- Asset Management
- Operator Selection & Negotiations
- Value Recovery Services

### CAPITAL MARKETS

- Asset & Portfolio Acquisition & Disposal
- Structured Transactions
- Investment Planning

## Capital Markets

### INVESTMENT TRANSACTIONS

- Asset & Portfolio Acquisition
- Asset & Portfolio Disposal
- London Residential Sales

### CORPORATE FINANCE ADVISORY

- Portfolio & Fund Advisory
- Capital Raising
- Value Recovery Services

## London Residential

- Land & Development
- Consultancy & Advisory
- New Homes
- Property Management
- Residential Investment – Capital Markets

## Research

- Regular Market Commentaries
- One off thought leadership
- Tailored market research
- Insight on current & future market conditions

## Agency

### TENANT REPRESENTATION

- Asset & Portfolio Acquisition
- Asset & Portfolio Disposal
- London Residential Sales

### CORPORATE FINANCE ADVISORY

- Portfolio & Fund Advisory
- Capital Raising
- Value Recovery Services

## Retail

### CONSULTING

- Strategic Advisory
- Development Consultancy
- Feasibility Study & HBU

### CORPORATE FINANCE ADVISORY

- Leasing & Brokerage
- Lease Repair / Renewals
- Retailer Mandates

## Property & Asset Management

- Property Management Services
- Facilities Management
- Estate & Community Management

## Project & Development Services

- Property Management
- Development Management
- Due diligence & Project Consultancy
- Cost Management





# ASCENCIA'S INVESTMENT PROPERTIES ARE VALUED USING A DCF APPROACH

➤ **Cougar system** – DCF approach, i.e., the income stream theoretically reverts to market levels.

➤ Future net income streams are:

- discounted at an appropriate discount rate (or total rate of return) to give the present value (PV) of the expected net income cash flow.
- An applicable final discounted residual or reversionary value is added (Terminal value).

$$V = \sum_{t=1}^n \frac{(H - D - U - F - T - I)_t}{(1 + p)^t} + \frac{R_n}{(1 + p)^n}$$

The equation is annotated with two orange arrows above the terms. The first arrow, labeled "PV of NOI", spans the summation term. The second arrow, labeled "PV of Terminal Value", spans the final term.

Where

v = Present value  
H = Rental income  
D = Operating costs

U = Maintenance costs  
F = Property tax ( not applicable)  
T = Ground rent ( not applicable)

I = Capital expenditures  
R = Residual value  
n = Analysis period

t = Time variable  
p = Discount rate



# WE HOLD STRONG TENANT COVENANT WHICH ENSURES THE SUSTAINABILITY OF OUR INCOME STREAMS.

## ANCHOR TENANTS



## SUB - ANCHOR TENANTS

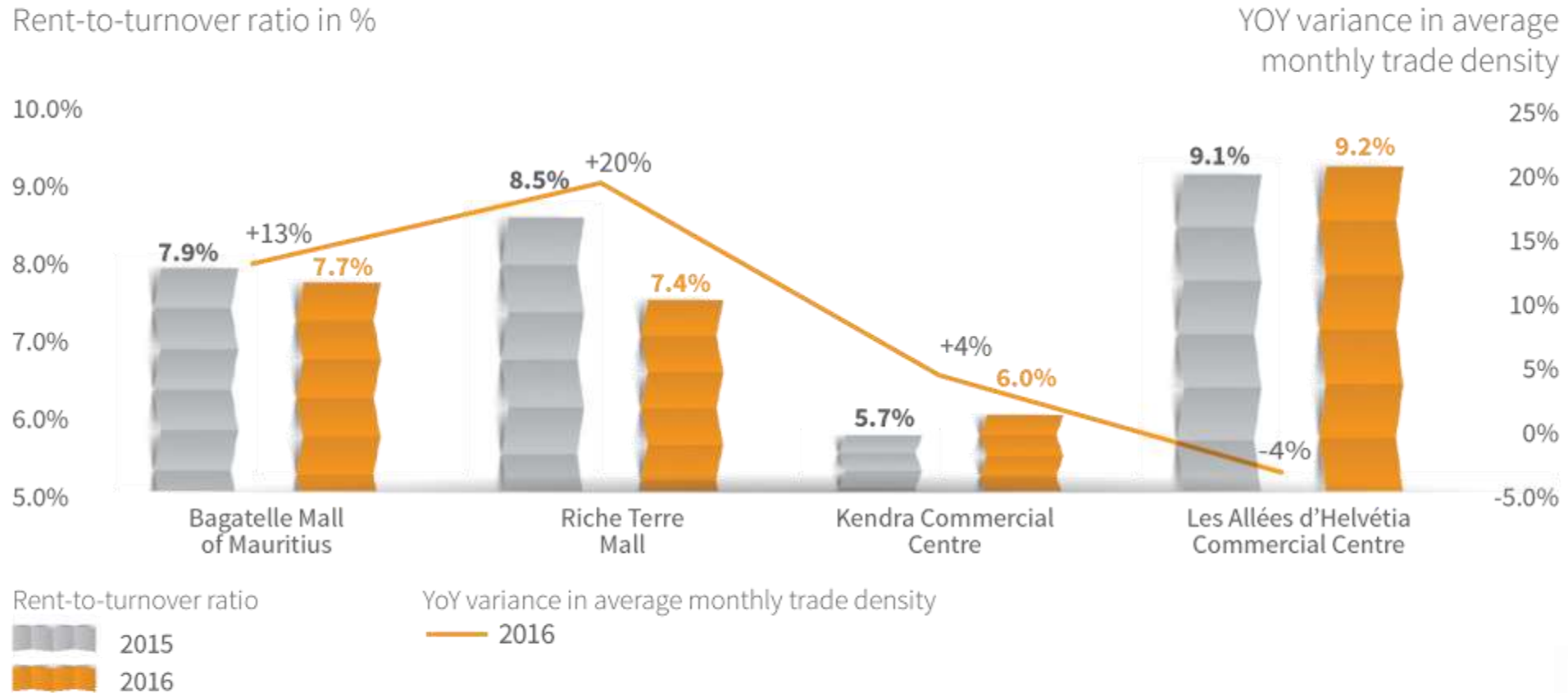


## ASCENCIA'S TOP 10 TENANTS PER BASIC RENTAL

Vendemia Group	7.0%
ENL Group	6.4%
Woolworths Group	4.1%
New Trezz Co. Ltd	3.9%
City Sports (Mauritius) Ltd	3.0%
Mammouth Trading Ltd	2.9%
Harel Mallac Group	2.9%
Bagatelle Distribuion Ltd	2.6%
All Sports Group	2.6%
Cash and Carry Group	2.0%
IBL Group	1.8%



# WHICH IS REFLECTED IN RENT TO TURNOVER RATIOS AND TRADING DENSITIES



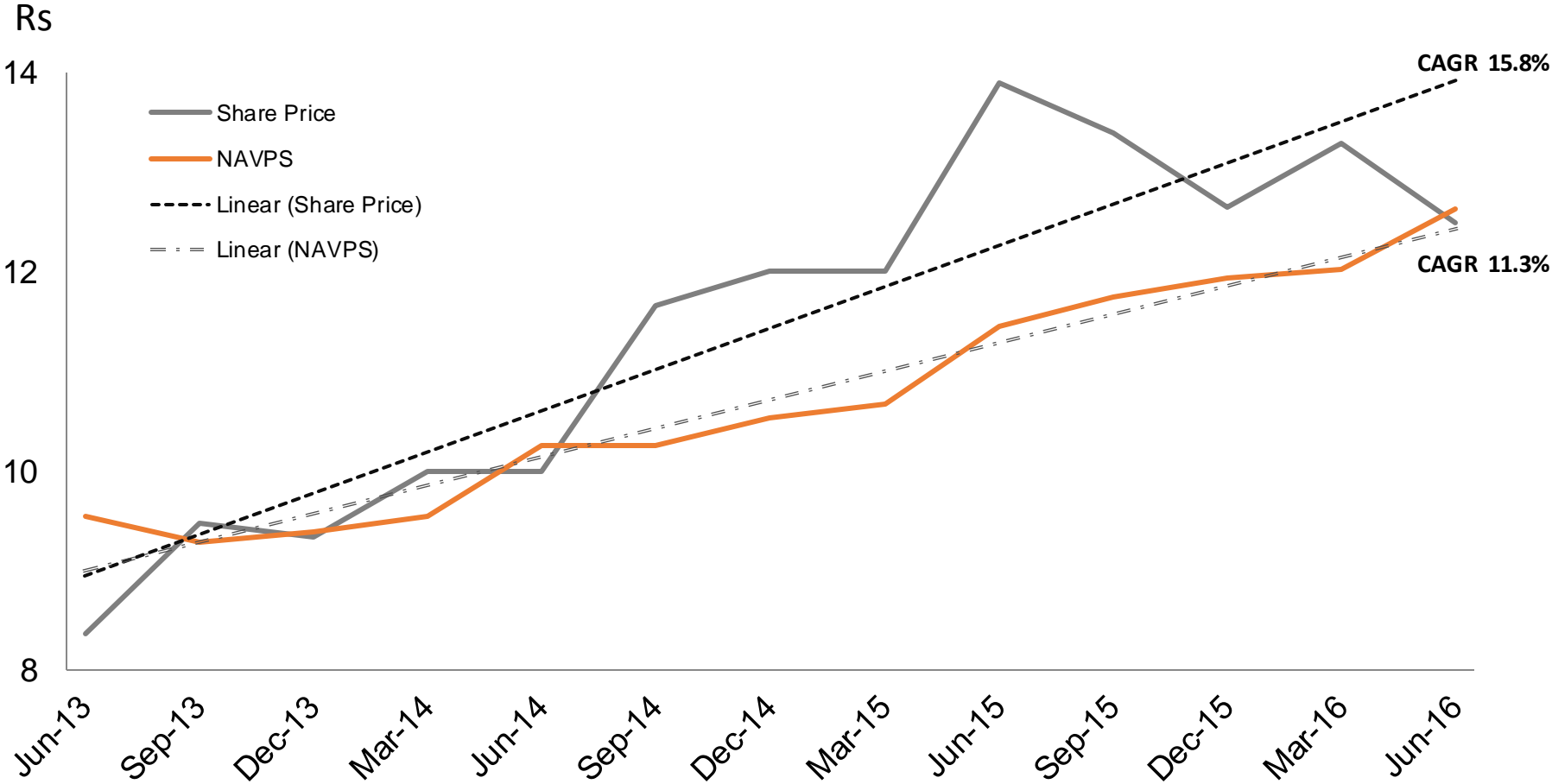
Note: Information currently not available for Centre Commercial Phoenix due to temporary closure for renovation works.

# GIVING RISE TO PROPERTY YIELDS WHICH ARE HEALTHY



# ENDORSED BY THE STOCK MARKET

## Evolution of Class A share price v/s NAVPS







SECTION 4 :  
WE ARE CURRENTLY WORKING ON  
MAJOR INITIATIVES WHICH WILL  
INCREASE THE NOI GOING  
FORWARD



# PROSPECTS

We are currently working on 8 major initiatives:

- Sale of non-core assets
- **So'Flo** Boutique Mall
- Second office building at Bagatelle Office Park
- Extension of Bagatelle Mall of Mauritius
- Project in the south of the island
- Refinancing our debt
- Rebranding exercise
- Master Retailer Strategy



← CENTRE  
MANAGEMENT  
FOOD COURT  
↑

ESPRIT →

SECTION 5:  
ANNEXURES



## THE FYE 2016 HAS BEEN MARKED BY INVESTMENTS WORTH Rs 1.8bn AND A MAJOR FUND RAISING OF Rs 1.1bn.

- Launching of the Home & Leisure Node at Bagatelle Mall of Mauritius for Rs 598m.
- Renovation of Centre Commercial Phoenix for Rs 380m.
- Acquisition of an additional 34.9% stake in Bagaprop Ltd and a 100% stake in The Gardens of Bagatelle Ltd totalling Rs 1.4bn.
- Fund raising of Rs 1.1bn by way of a private placement to sophisticated investors.
- Conversion of 28% of the 5Y-convertible preference shares and Class-B shares into Class A shares on 30 June 2016 and 01 July 2016 respectively.



# A WEIGHTAGE SCORING SYSTEM

is used to estimate the capitalisation rate.

## ➤ Determining the discount rate

Discount rate = Risk free rate (10Y Bond) + Liquidity risk + Property risk

Say for Riche Terre Mall = 6% + 4.5% + 2.25%  
= 12.75%

## ➤ Determining the reversionary rate (exit rate)

Reversionary rate = Capitalisation rate + risk adjustment

Say for Riche Terre Mall = 7% + 0.75%  
= 7.75%

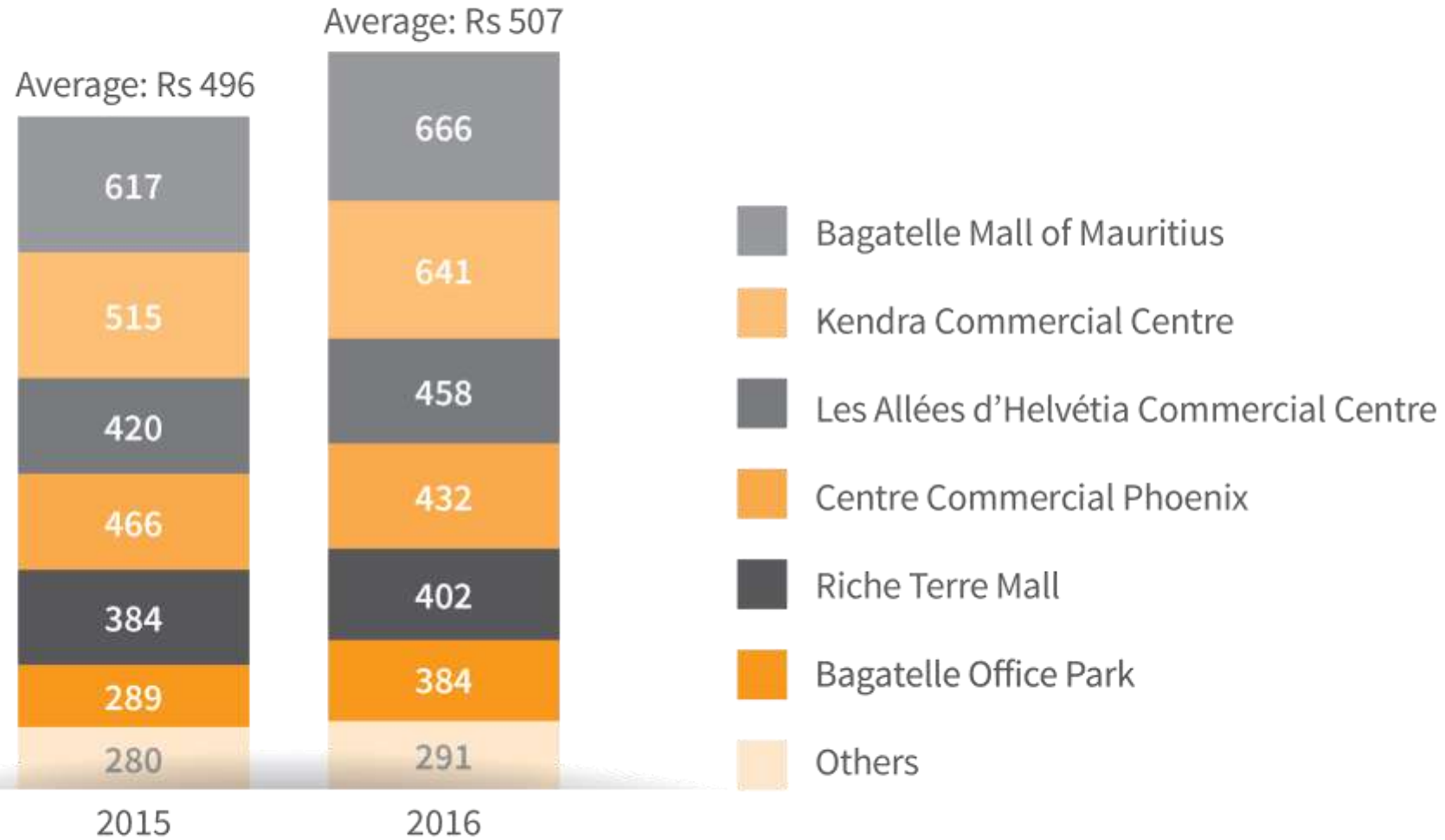
Example:

Risk Factors	Weighting of Criteria	Percentage Rating (out of 100%)	Effect of weighting on the percentage scores
Site Location	15%	90%	13.50%
Parking	10%	100%	10.00%
<i>Ave Rem. Lease Period (months)</i>		<i>34.16</i>	
Ave Lease Length Remaining	15%	85%	12.81%
<i>Vacancy %</i>		<i>0.18%</i>	
Vacancy	10%	100%	9.98%
<i>Type of Centre</i>		<i>Large Community Centre</i>	
Category of Centre / Tenant Mix	10%	80%	8.00%
Security of Income	15%	90%	13.50%
Age / Revamped / Condition	10%	90%	9.00%
Trading Density	15%	90%	13.50%
<b>TOTAL</b>	<b>100%</b>		<b>90.29%</b>
<i>Factor Calculated Above Best Cap Rate</i>		<i>7.00%</i>	<i>9.71%</i>
Approximate Cap Rate to apply:			7.70%



# AVERAGE NET OPERATIONAL INCOME

Per month per square metre in Rs m on a comparable basis



# ASCENCIA INVESTMENT PROPERTY PORTFOLIO

Properties	GLA sqm		Average monthly Foot Count		Vacancy		Net Operating Income (Rs 000)		Income Yield		Valuation (Rs 000)			
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 14	
Retail														
Bagatelle Mall of Mauritius	55,593	46,225	637,377	598,051	2.3%	1.5%	407,147	342,292	7.5%	7.5%	5,900,000	5,463,277	4,575,000	
Centre Commercial Jumbo Phoenix	25,049	25,049	481,753	479,547	15.6%	2.5%	129,833	140,196	8.2%	8.7%	2,050,600	1,592,000	1,610,727	
Riche Terre Mall	20,400	20,400	287,497	274,495	0.3%	3.4%	98,350	93,990	8.5%	8.7%	1,186,700	1,155,917	1,075,212	
Kendra Commercial Centre	4,363	4,363	197,465	178,524	1.1%	12.0%	33,568	26,989	9.6%	8.1%	384,600	350,000	331,444	
Les Allées d'Helvétia Commercial Centre	2,477	2,477			10.8%	12.1%	13,619	12,483	9.6%	8.5%	150,600	142,200	147,224	
Cesar Palace	1,903	1,903			0.0%	0.0%	8,090	7,571	9.1%	8.8%	90,900	89,000	86,431	
Harbour Front	662	662			46.7%	24.3%	3,434	4,414	7.2%	5.9%	27,800	48,000	74,401	
Medcor	126	126			0.0%	0.0%	2,089	1,938	8.9%	11.5%	24,900	23,400	16,828	
Queen Property	529	529			0.0%	0.0%	2,344	2,196	9.4%	8.7%	26,400	24,900	25,257	
Lots in Orchards Centre	799	799			0.0%	0.0%	2,031	2,666	8.4%	8.2%	24,900	24,100	32,425	
Spar Orchard	1,688	1,688			0.0%	0.0%	2,985	2,959	10.0%	9.5%	28,900	29,700	31,084	
Spar Manhattan	933	933			0.0%	0.0%	3,145	2,618	13.6%	12.0%	23,400	23,200	21,794	
Spar Windsor	955	955			0.0%	0.0%	2,390	1,160	14.2%	5.9%	16,900	16,800	19,593	
Office														
Bagatelle Office Park I	4,018	4,018			0.0%	45.2%	18,256	13,728	6.4%	5.0%	297,400	284,500	276,751	
<b>Total</b>	<b>119,495</b>	<b>110,127</b>	<b>1,604,092</b>	<b>1,530,617</b>			<b>727,281</b>	<b>655,198</b>			<b>10,234,000</b>	<b>9,266,994</b>	<b>8,324,171</b>	

# STATEMENT OF PROFIT OR LOSS

and Other Comprehensive Income as at 30 June 2016

	Group	Company	
	2016	2016	2015
	Rs'000	Rs'000	Rs'000
<b>Revenue</b>			
Rental income	723,567	291,985	302,008
Recoveries income	291,873	111,175	107,388
Other operating income	27,137	12,996	8,248
<b>Total revenue</b>	<b>1,042,577</b>	<b>416,156</b>	417,644
Direct operating expenses arising from investment properties	(315,296)	(114,277)	(117,830)
<b>Net operational income</b>	<b>727,281</b>	<b>301,879</b>	299,814
Investment and other income	38,740	126,742	-
Administrative expenses	(135,691)	(68,599)	(68,161)
<b>Operating profit</b>	<b>630,330</b>	<b>360,022</b>	231,653
Increase in fair value of investment properties	379,598	101,153	41,972
Share of (loss)/profit in joint venture	(55,653)	-	379,586
Impairment loss on joint venture	-	(55,653)	-
<b>Profit before finance costs</b>	<b>954,275</b>	<b>405,522</b>	653,211
Finance costs	(306,760)	(138,846)	(92,487)
Fair value gain on business combination	115,712	-	-
Acquisition related cost	(52,619)	-	-
<b>Profit before tax</b>	<b>710,608</b>	<b>266,676</b>	560,724
Income tax expense	(52,807)	(20,025)	(28,924)
<b>Profit for the year</b>	<b>657,801</b>	<b>246,651</b>	531,800
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	-
<b>Total comprehensive income for the year</b>	<b>657,801</b>	<b>246,651</b>	531,800

# STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Group	Company	
	2016 Rs'000	2016 Rs'000	2015 Rs'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	10,287,159	3,891,758	3,678,821
Equipment	10,983	2,311	-
Investment in subsidiary companies	-	2,414,413	-
Investment in joint venture	64,347	64,347	1,676,832
Intangible assets	12,554	-	-
	<b>10,375,043</b>	<b>6,372,829</b>	<b>5,355,653</b>
<b>Current assets</b>			
Trade and other receivables	134,439	55,451	57,036
Amount receivable from related companies	122,182	175,333	67,232
Cash and Cash equivalents	209,101	82,177	56,151
	<b>465,722</b>	<b>312,961</b>	<b>180,419</b>
<b>Total assets</b>	<b>10,840,765</b>	<b>6,685,790</b>	<b>5,536,072</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	3,602,171	3,602,171	2,985,536
Retained earnings	1,746,612	774,469	1,264,481
<b>Equity attributable to the ordinary equity holders of the parent</b>	<b>5,348,783</b>	<b>4,376,640</b>	<b>4,250,017</b>
<b>Non-controlling interests</b>	<b>549,972</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>5,898,755</b>	<b>4,376,640</b>	<b>4,250,017</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	3,656,436	1,368,048	879,076
Convertible preference shares	152,954	152,954	-
Debentures	210,680	210,680	-
Deferred tax liabilities	141,668	63,999	51,258
	<b>4,161,738</b>	<b>1,795,681</b>	<b>930,334</b>
<b>Current liabilities</b>			
Trade and other payables	284,106	107,925	148,391
Borrowings	261,766	159,129	109,792
Convertible preference shares	97,334	97,334	-
Amount payable to related companies	25,822	37,837	13,158
Proposed dividend	111,244	111,244	84,380
	<b>780,272</b>	<b>513,469</b>	<b>355,721</b>
<b>Total liabilities</b>	<b>4,942,010</b>	<b>2,309,150</b>	<b>1,286,055</b>
<b>Total equity and liabilities</b>	<b>10,840,765</b>	<b>6,685,790</b>	<b>5,536,072</b>

# STATEMENT OF CASH FLOWS

as at 30 June 2016

	Group	Company	
	2016	2016	2015
	Rs'000	Rs'000	Rs'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax	710,608	266,676	560,724
Share of loss/(profit) of joint venture	55,653	-	(379,586)
	766,261	266,676	181,138
Increase in fair value of investment properties	(379,598)	(101,153)	(41,972)
Fair value gain on business combination	(115,712)	-	-
Acquisition related cost	52,619	-	-
Impairment loss on investment in joint venture	-	55,653	-
Provision for impairment	23,566	1,973	19,029
Depreciation	3,099	934	580
Profit on sale of investment properties	(3,237)	(3,237)	-
Profit on sale of equipment	(17)	-	-
Dividend income	-	(93,500)	-
Reversal of overprovision in prior year	(23,689)	(23,689)	-
Interest expense	306,760	138,846	92,487
	630,052	242,503	251,262
<b>Changes in working capital:</b>			
- Trade and other receivables	(43,172)	(13,951)	(6,777)
- Trade and other payables	42,916	1,082	(4,962)
- Amount receivable from related companies	2,638	(3,516)	(1,064)
- Amount payable to related companies	(334)	24,679	-
<b>Cash generated from operations</b>	632,100	250,797	238,459
Interest paid	(333,311)	(165,397)	(66,868)
Income tax recovered/(paid)	8,285	8,285	(4,498)
<b>Net cash generated from operating activities</b>	307,074	93,685	167,093
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiary companies net of cash acquired	(1,330,046)	(1,363,000)	-
Acquisition of joint venture	(120,000)	(120,000)	-
Payments for project/Renovation costs	(348,430)	(135,188)	(86,096)
Purchase of equipment	(5,375)	(867)	-
Net proceeds from sales of investment properties	23,737	23,737	-
Proceeds from sales of equipment	84	-	-
<b>Net cash used in investing activities</b>	(1,780,030)	(1,595,318)	(86,096)
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary shares	519,301	519,301	-
Issue of convertible preference shares	347,622	347,622	-
Issue of debentures	210,680	210,680	-
Proceeds from borrowings	1,414,983	1,208,100	138,388
Repayment of borrowings	(759,206)	(669,792)	(142,825)
Dividends paid	(84,380)	(84,380)	(74,964)
<b>Net cash generated from/(used in) financing activities</b>	1,649,000	1,531,531	(79,401)

## Net Increase in cash and cash equivalents

176,044 29,898 1,596

Cash and cash equivalents - opening

121,006 121,006 94,401

Cash flow acquired on amalgamation

- - 25,009

## Cash and cash equivalents - closing

24

297,050 150,904 121,006

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