CSOP ETF Series II

Prospectus

24 November 2026

CSOP ASSET MANAGEMENT

IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent financial advice.

Investors should note that this Prospectus relates to Sub-Funds which may offer both exchange-traded class of Units and unlisted (not exchange-traded) class of Units.

CSOP ETF Series II

(a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF

HKD Counter Stock Code: 3199
RMB Counter Stock Code: 83199

CSOP RMB Money Market ETF

HKD Counter Stock Code: 3122
RMB Counter Stock Code: 83122

CSOP FTSE US Treasury 20+ Years Index ETF

HKD Counter Stock Code: 3433

CSOP FTSE Hong Kong Equity ETF

HKD Counter Stock Code: 3443

CSOP FTSE Asia Pacific Select REITs ETF

HKD Counter Stock Code: 3447

CSOP Huatai-PB CSI A500 ETF

HKD Counter Stock Code: 3101

CSOP Gold ETF

HKD Counter Stock Code: 3030

PROSPECTUS

Manager

CSOP Asset Management Limited

南方東英資產管理有限公司

24 November 2026

Hong Kong Exchanges and Clearing Limited ("HKEx"), The Stock Exchange of Hong Kong Limited (the "SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and each Sub-Fund have each been authorised as collective investment schemes by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the "Units") in the CSOP ETF Series II (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 20 January 2014, as amended from time to time (the "Trust Deed") between CSOP Asset Management Limited 南方東英資產管理有限公司 (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust will have a number of sub-funds (the "Sub-Funds" or individually a "Sub-Fund") in respect of which a separate class or classes of Units will be issued. Where specified in the relevant Appendix, a Sub-Fund may issue both exchange-traded classes of Units ("Listed Class of Units") and/or unlisted (not exchange-traded) classes of Units ("Unlisted Class of Units").

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of such Sub-Funds is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus. For Sub-Funds which issue both Listed Class of Units and Unlisted Class of Units, a separate set of product key facts statement will be available for each class that is offered to Hong Kong investors.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement(s) of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with the Code on Unit Trusts and Mutual Funds (the "Code") and the "Overarching Principles" section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and (in respect of the Listed Class of Units only) The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Units. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself in the sub-section headed "The Trustee and Registrar" under the section headed "Management of the Trust".

The Trust and the Sub-Funds are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Sub-Funds or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser or your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

Dealings in the Listed Class of Units of each of ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, CSOP RMB Money Market ETF, CSOP FTSE US Treasury 20+ Years Index ETF, CSOP FTSE Hong Kong Equity ETF, CSOP FTSE Asia Pacific Select REITs ETF and CSOP Huatai-PB CSI A500 ETF have commenced on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Listed Class of Units of each of ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, CSOP RMB Money Market ETF, CSOP FTSE US Treasury 20+ Years Index ETF, CSOP FTSE Hong Kong Equity ETF, CSOP FTSE Asia Pacific Select REITs ETF and CSOP Huatai-PB CSI A500 ETF have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS").

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units of CSOP Gold ETF. Subject to compliance with the admission requirements of HKSCC, the Units of CSOP Gold ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS with effect from the date of commencement of dealings in the Units of CSOP Gold ETF on the SEHK or such other date as may be determined by HKSCC.

Settlement of transactions between participants on the SEHK is required to take place in CCASS on the second CCASS settlement day after the trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the US Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the

benefit of a US Person (as defined in Regulation S of the US Securities Act). The Trust and the Sub-Funds have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code ("Similar Law") or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial statements of the Sub-Funds (where existing) and, if later, its most recent interim report which form part of this Prospectus.

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager's website (http://www.csopasset.com) the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC. This Prospectus may refer to information and materials included in websites. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 3406 5688 during normal office hours.

DIRECTORY

*Manager and QFI Holder**
CSOP Asset Management Limited
南方東英資產管理有限公司
2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Investment Advisor (in respect of ICBC CSOP FTSE Chinese Government and Policy and Bank Bond Index ETF only)
ICBC Asset Management (Global) Company Limited
Unit 2507 – 10, 25/F
ICBC Tower, 3 Garden Road
Central
Hong Kong

*Non-discretionary Investment Advisor*** *(in respect of CSOP FTSE Asia Pacific Select REITs ETF only)*
Straits Investment Management Pte. Ltd.
1 Wallich Street
#15-01 Guoco Tower 078881
Singapore

Trustee and Registrar
HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Gold Custodian
(in respect of CSOP Gold ETF only)
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

*PRC Custodian**
HSBC Bank (China) Company Limited
33/F, HSBC Building
Shanghai ifc
8 Century Avenue
Pudong, Shanghai
China 200120

Participating Dealers

Please refer to the Manager's website for the latest list of Participating Dealers of each Sub-Fund

Market Makers

Please refer to the Manager's website for the latest list of Market Makers of each Sub-Fund

Legal Counsel to the Manager (in respect of ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, CSOP RMB Money Market ETF, CSOP FTSE US Treasury 20+ Years Index ETF and CSOP FTSE Hong Kong Equity ETF only)
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Legal Counsel to the Manager (in respect of CSOP FTSE Asia Pacific Select REITs ETF and CSOP Huatai-PB CSI A500 ETF only)
Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Legal Counsel to the Manager (in respect of CSOP Gold ETF only)
Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

Auditors
Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Service Agent
HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

** For ICBC CSOP FTSE Chinese Government and Policy and Bank Bond Index ETF, CSOP RMB Money Market ETF and CSOP Huatai-PB CSI A500 ETF only.*

*** The Investment Advisor does not have any discretionary investment management powers regarding CSOP FTSE Asia Pacific Select REITs ETF, which will remain with the Manager.*

CONTENTS

PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS 1
DEFINITIONS 2
INTRODUCTION 11
INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITY FINANCING AND BORROWING 12
DETERMINATION OF NET ASSET VALUE 25
FEES AND EXPENSES 29
RISK FACTORS 34
MANAGEMENT OF THE TRUST 47
STATUTORY AND GENERAL INFORMATION 57
TAXATION 66
SCHEDULE 1 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS 72
SCHEDULE 1A – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS (IN RESPECT OF CSOP GOLD ETF ONLY) 92
SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS 120
PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND 131

PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Trust and the Sub-Funds established under the Trust.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 "Specific Information Relating to Each Sub-Fund" for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

”Account Balance” means, in respect of CSOP Gold ETF, in relation to an unallocated account maintained by the Gold Custodian for the Sub-Fund, the amount of Bullion owed to the Sub-Fund by the Gold Custodian or by the Sub-Fund to the Gold Custodian, and in relation to an allocated account means the specific Bullion held for the Sub-Fund by the Gold Custodian and/or the Sub-Gold Custodian(s) from time to time identified (whether by bar, serial number or otherwise) in and recorded on the allocated account.

“AFRC” means the Accounting and Financial Reporting Council.

“After Listing” means, in respect of a Listed Class of Units, the period which commences on the Listing Date and continues until the Listed Class of Units is terminated.

“Appendix” means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

“Application Unit Size” means, in respect of Listed Class of Units, such number of Units or whole multiples thereof (if any) as specified in this Prospectus or such other multiple of Units from time to time determined by the Manager, in consultation with the Trustee and notified by the Manager to Participating Dealers.

"assay" means a chemical test undertaken to determine the purity of a sample of gold.

"Basket" means, in respect of CSOP Gold ETF, an amount of Bullion for the purpose of a Creation Application or Redemption Application in an Application Unit Size.

"Bullion" means gold in the form of uniquely identifiable bars or ingots of minimum fineness of 99.5% gold from an approved refiner on the LBMA Good Delivery List of Acceptable Refiners: Gold.

“Business Day” in respect of a Sub-Fund, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which the relevant Index Securities and/or Non-Index Securities are traded is open for normal trading; or (iii) if there are more than 1 such securities markets, the securities market designated by the Manager is open for normal trading, and (b) (where applicable) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time, and in respect of CSOP Gold ETF the aforementioned securities market shall refer to the relevant market on which the relevant instruments of CSOP Gold ETF are traded.

“Cash Component” means the aggregate Net Asset Value of the Units comprising the Application Unit Size less the relevant Application Basket Value.

“CCASS” means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

“CCDC” means China Central Depositary & Clearing Co., Ltd.

“CNH” means RMB traded offshore in Hong Kong. Although CNH and RMB traded onshore in the PRC mainland (“CNY”) are the same currency, they trade at different rates as the applicable PRC mainland regulation has explicitly kept CNY onshore and CNH offshore separate, the respective supply and demand conditions lead to separate market clearing exchange rates.

“Code” means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended or replaced from time to time).

“Connected Person” has the meaning as set out in the Code which at the date of this Prospectus

means in relation to a company:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or

(b) any person or company controlled by a person who or which meets 1 or both of the descriptions given in (a); or

(c) any member of the group of which that company forms part; or

(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

"Creation Application" means, in respect of Listed Class of Units, an application by a Participating Dealer for the creation and issue of Units in an Application Unit Size in accordance with the Operating Guidelines and terms of the Trust Deed.

"Dealing Day" means, in respect of a Sub-Fund, each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine with the written approval of the Trustee.

"Dealing Deadline" means, in respect of a Sub-Fund and in relation to any Dealing Day, shall be the time on each Dealing Day specified in the relevant Appendix or such other time or times as the Manager may from time to time with the written approval of the Trustee determine.

"Designated Vault" means, in respect of CSOP Gold ETF, the vault(s) of the Gold Custodian and/or the Sub-Gold Custodian(s) located in Hong Kong, at which the Bullion of the Sub-Fund will be safekept.

"Dual Counter" means, in respect of Listed Class of Units, the facility by which the Units of a Sub-Fund traded in two eligible currencies are each assigned separate stock codes on the SEHK.

"Duties and Charges" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units. For the avoidance of doubt, when calculating subscription and redemption prices, duties and charges may include (if applicable) any provision for bid and ask spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription or sold as a result of a redemption), but may not include (if applicable) any commission payable to agents on sales and purchases of the Units or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Units).

"entities within the same group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards.

“Eligible Investor(s)” means in respect of CSOP Gold ETF, any collective investment scheme(s) (including without limitation a feeder fund investing solely in a Sub-Fund) or discretionary account(s) managed by the Manager or, in the Manager's sole discretion, any MPF Scheme and ORSO Scheme, subject to the relevant Sub-Fund being approved by the Mandatory Provident Fund Schemes Authority as an eligible investment under the mandatory provident fund regime.

“FDIs” means financial derivative instruments.

"gold" means the metallic element gold, symbol Au on the periodic table of elements with atomic number 79.

“Gold Custodian" means, in respect of CSOP Gold ETF, The Hongkong and Shanghai Banking Corporation Limited, or such other entities or financial institutions acceptable to the SFC and appointed by the Trustee to act as the gold custodian of the Sub-Fund.

“Gold Custody Agreement” means, in respect of CSOP Gold ETF, the allocated precious metals account agreement and the unallocated precious metals account agreement between the Gold Custodian and the Trustee, as may be amended by agreement from time to time, by which, *inter alia*, the Gold Custodian agrees to provide safe custody of the Sub-Fund’s Bullion.

“Gold Dealer” means, in respect of CSOP Gold ETF, each dealer (and metal refiner, if applicable) who provides the Sub-Fund with Bullion dealing services.

"Gold Depositary" means, in respect of CSOP Gold ETF, HKIA PMD, in its capacity as the depositary to safekeep the Sub-Fund’s physical Bullion located in Hong Kong.

“Government and other Public Securities” has the meaning as set out in the Code which at the date of this Prospectus means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

“gram” means a thousandth of a kilo, equal to 0.0321507465 troy ounces.

“HKD” means Hong Kong dollars, the lawful currency for the time being and from time to time of Hong Kong.

“HKEX” means the Hong Kong Exchanges and Clearing Limited.

“HKSCC” means the Hong Kong Securities Clearing Company Limited or its successors.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

"IBA" means ICE Benchmark Administration Limited or its successors from time to time.

"in-gold" means the physical settlement of Bullion, in respect of CSOP Gold ETF.

“IFRS” means International Financial Reporting Standards.

“Index” means, in respect of an Index Tracking Sub-Fund, the index or benchmark if any, against which a Sub-Fund may be benchmarked or may otherwise be referenced as set out in the relevant Appendix.

“Index Securities” means, for an Index Tracking Sub-Fund, (i) the constituent Securities of the relevant Index; (ii) such other Securities the Index Provider has publicly announced shall form part of the Underlying Index in the future but are currently not constituent Securities of the relevant underlying Index.

“Index Tracking Sub-Fund” means a sub-fund with a principal objective to track, replicate or correspond to a financial index or benchmark, with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the underlying Index that it tracks.

“Index Provider” means, in respect of an Index Tracking Sub-Fund, the person responsible for compiling the Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Sub-Fund as set out in the relevant Appendix.

“Initial Issue Date” means, in respect of a Sub-Fund or a class of Units, the date of the first issue of Units of that Sub-Fund or class of Units (as the case may be).

“Initial Offer Period” means, in respect of a Sub-Fund or a class of Units, such period as may be determined by the Manager for the purpose of making an initial offer of Units of such Sub-Fund or class of Units (as the case may be) as set out in the relevant Appendix, which (in the case of a Listed Class of Units), shall be before the relevant Listing Date.

“Insolvency Event” occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person’s assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with 1 or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

“Issue Price” means, in respect of Listed Class of Units, the price at which Units may be issued, determined in accordance with the Trust Deed.

"kilo" means one kilogram or 1,000 grams (equal to 32.1507465 troy ounces).

"LBMA" means the London Bullion Market Association.

"LBMA Gold Prices" means the LBMA Gold Price AM, together with the afternoon fixing price of gold per troy ounce published by the IBA once the IBA auction process run at 3:00 p.m. (London time) is concluded.

“LBMA Gold Price AM” means the morning fixing price of gold per troy ounce calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded, or any benchmark as acceptable and approved under the relevant requirement(s) of the Code.

“Listed Class of Units” means a class of Units of a Sub-Fund which is listed on either the SEHK or any Recognised Stock Exchange.

“Listing Date” means, in respect of a relevant Sub-Fund, the date on which the Units of the Listed Class of Units of the Sub-Fund are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

“London Good Delivery” means the specifications for good delivery of bullion as set out in The Good Delivery Rules for Gold and Silver Bars published by the LBMA, as amended and updated from time to time.

“Market” means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager;

(b) in relation to any futures contract: the Hong Kong Futures Exchange or such other futures exchange from time to time determined by the Manager, and

(c) in relation to CSOP Gold ETF: the LBMA or such other market from time to time determined by the Manager to be relevant;

and any over-the-counter transaction conducted in any part of the world and in relation to any Security or futures contract shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security or futures contract which the Manager may from time to time elect with the approval of the Trustee.

"Market Maker" means a broker or dealer permitted by the SEHK to act as such by making a market for Listed Class of Units in the secondary market on the SEHK.

"MPF Scheme" means any mandatory provident fund scheme or its constituent fund or approved pooled investment fund approved by the Mandatory Provident Fund Schemes Authority of Hong Kong; or any person who, in relation to any mandatory provident fund scheme, is an approved trustee or service provider, or who is an investment manager of any such mandatory provident fund scheme, constituent fund or approved pooled investment fund.

"Net Asset Value" means the net asset value of a Sub-Fund (or class thereof) or, as the context may require, the net asset value of a Unit of a Sub-Fund (or class thereof) calculated pursuant to the Trust Deed.

"Non-Index Securities" means (i) any securities, other than Index Securities for an Index Tracking Sub-Fund, as may be designated by the Manager, which for the avoidance of doubt include Securities comprising a Non-Index Tracking Sub-Fund; and (ii) any base Securities linked to or otherwise used to track the performance of one or more such securities.

"Non-Index Tracking Sub-Fund" means a Sub-Fund that is not an Index Tracking Sub-Fund.

"Operating Guidelines" means, in respect of Listed Class of Units, the guidelines for the creation and redemption of Units as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, including without limitation, the procedures for creation and redemption of Units subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Listed Class of Units applicable at the time of the relevant Application.

"ORSO Scheme" means any voluntary occupational retirement scheme operating in or from Hong Kong which is administered by the Mandatory Provident Fund Schemes Authority of Hong Kong; or any person who, in relation to any occupational retirement schemes, is an approved trustee or service provider, who is an investment manager of any such occupational retirement scheme.

"Participating Dealer" means any participant of CCASS who has entered into a Participation Agreement.

"Participation Agreement" means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out (amongst other things) the arrangements in respect of the issue of Listed Class of Units and the redemption and cancellation of Listed Class of Units.

"Policy Bank Bonds" means the RMB denominated and settled fixed-rate bonds issued by the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within the PRC mainland.

"PRC" or "China" means The People's Republic of China.

"PRC mainland" or the "Chinese Mainland" means all the customs territories of the PRC excluding Hong Kong, Macau and Taiwan, China of the PRC for purpose of interpretation of this document only.

"PRC Custody Agreement" means the custodian agreement entered into between the Trustee, the Manager, the Custodian and the PRC Custodian, as amended from time to time.

"PRC Participation Agreement" means the participation agreement entered into between the Trustee, the Manager, the Custodian and the PRC Custodian, as amended from time to time.

"PRC Government and Policy Bank Bonds" means the RMB denominated and settled fixed-rate and zero-coupon book-entry bonds issued by the Ministry of Finance of the PRC, the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within the PRC mainland.

"QFI" or "QFI Holder" means a qualified foreign investor approved pursuant to the relevant PRC mainland laws and regulations, as may be promulgated and/or amended from time to time, including both qualified foreign institutional investor (QFII)(i.e. QFI to make investment in PRC mainland domestic securities and futures market by remitting foreign currencies) and/or RMB qualified foreign institutional investors (RQFII)(i.e. QFI to make investment in PRC mainland domestic securities and futures market by remitting offshore RMB), as the case may be, or, as the context may require, the QFII/RQFII regime.

"Recognised Futures Exchange" means an international futures exchange which is approved by the Manager.

"Recognised Stock Exchange" means an international stock exchange which is approved by the Manager.

"Redemption Application" means, in respect of Listed Class of Units, an application by a Participating Dealer for the redemption of Units in Application Unit Size in accordance with the Operating Guidelines and terms of the Trust Deed.

"Redemption Price" means, in respect of Unlisted Class of Units, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

"Redemption Value" means, in respect of Listed Class of Units, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

"Registrar" means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed registrar of the Sub-Funds in succession thereto under the provisions of the Trust Deed.

"REITs" means real estate investment trusts.

"reverse repurchase transactions" means transactions whereby a Sub-Fund purchases Securities from a counterparty of sale and repurchase transactions and agrees to sell such Securities back at an agreed price in the future.

"RMB" or "Renminbi" means Renminbi Yuan, the lawful currency of the PRC.

"sale and repurchase transactions" means transactions whereby a Sub-Fund sells its Securities to a counterparty of reverse repurchase transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

"SAT" means the State Administration of Taxation of the PRC.

"Security" means any share, stock, debenture, loan stock, bond, security, future (including a futures contract), forward, derivative commercial paper, acceptance, trade bill, treasury bill, instrument or

note of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any unit trust;

(b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;

(c) any instrument commonly known or recognised as a security;

(d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and

(e) any bill of exchange and any promissory note.

"securities lending transactions" means transactions whereby a Sub-Fund lends its Securities to a security-borrowing counterparty for an agreed fee.

"SEHK" means The Stock Exchange of Hong Kong Limited or its successors.

"Service Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to a Sub-Fund.

"Service Agent's Fee" means, in respect of Listed Class of Units, the fee which may be charged for the benefit of the Service Agent to each Participating Dealer on each Creation Application or Redemption Application made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

"Service Agreement" means, in respect of Listed Class of Units, each agreement by which the Service Agent agrees with the Manager and the Trustee to provide its services entered amongst the Trustee, the Manager, the Registrar, the Participating Dealer, the Service Agent and Hong Kong Securities Clearing Company Limited.

"Settlement Day" means, in respect of Listed Class of Units, the Business Day which is the Business Day immediately after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines or the Special Operating Guidelines, as the case may be) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers or as otherwise described in the relevant Appendix.

"SFC" means the Securities and Futures Commission of Hong Kong or its successors.

"SFO" means the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

"Special Application" means, in respect of CSOP Gold ETF, a Special Creation Application or a Special Redemption Application.

"Special Creation Application" means, in respect of CSOP Gold ETF, an Application for the creation and issue of Listed Class of Units by an Eligible Investor.

"Special Operating Guidelines" means the guidelines for creation and redemption of Listed Class of Units as determined by the Manager and the Trustee from time to time as applicable to Special Applications. Unless otherwise specified, references to the Special Operating Guidelines shall be

to the Special Operating Guidelines for CSOP Gold ETF applicable at the time of the relevant Special Application.

“Special Redemption Application” means an Application for the redemption of Listed Class of Units by an Eligible Investor.

“Sub-Fund” means a segregated pool of assets and liabilities into which the Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust as described in the relevant Appendix.

"Sub-Gold Custodians" means, in respect of CSOP Gold ETF, a sub-custodian, agent or depository (including an entity within the Gold Custodian’s corporate group) which the Gold Custodian has arranged to safekeep the Sub-Fund’s Bullion, under the service agreement between the Gold Custodian and the relevant Sub-Gold Custodian. For the purpose of CSOP Gold ETF, unless otherwise specified, references to the Sub-Gold Custodian shall be construed to include the Gold Depositary.

“Subscription Price” means, in respect of Unlisted Class of Units, the price at which Units may be subscribed for, determined in accordance with the Trust Deed.

“substantial financial institution” has the meaning as set out in the Code.

“Treasury Bonds” means the RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance (中華人民共和國財政部) of the PRC and distributed within the PRC mainland.

“troy ounce” means the traditional weight used for precious metals, including gold, equal to 31.1034768 grams or 1.0971428 ounces avoirdupois.

“Trust” means the umbrella unit trust constituted by the Trust Deed and called “CSOP ETF Series II” or such other name as the Manager may from time to time determine upon prior notice to the Trustee.

“Trust Deed” means the trust deed dated 20 January 2014 between the Manager and the Trustee constituting the Trust (as amended, supplemented and/or restated from time to time).

“Trust Fund” means with respect to each Sub-Fund, means all the property held by the Trust, including all Deposited Property and Income Property (both as defined in the Trust Deed), except for amounts to be distributed, in each case in accordance with the terms and provisions of the Trust Deed.

“Trustee” means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto under the provisions of the Trust Deed.

“Unit” means 1 undivided share in a Sub-Fund.

“Unitholder” means a person for the time being entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered.

“Unlisted Class of Units” means a class of Units of a Sub-Fund which is neither listed on the SEHK nor any other Recognised Stock Exchange.

“US dollar” or “US$” or “USD” means United States dollars, the lawful currency of the United States of America.

“Valuation Point” means, in respect of a Sub-Fund or a class of Units, unless otherwise specified in the relevant Appendix of a Sub-Fund, the official close of trading on the Market on which the Securities constituting the Sub-Fund are listed on each Dealing Day and if more than 1, the official

close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed dated 20 January 2014 (as amended and restated from time to time), made under Hong Kong law between the Manager and the Trustee. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund is subject to certain Chapters of the Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Funds

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a "Sub-Fund") to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. Each Sub-Fund will be an exchange traded fund listed on the SEHK, but it may issue both Listed Class of Units (which will be listed on the SEHK and, where indicated in the relevant Appendix, may be available for trading on the SEHK using a Dual Counter) and Unlisted Class of Units (which will not be listed on the SEHK).

A sub-fund may be an Index Tracking Sub-Fund or a Non-Index Tracking Sub-Fund (including a listed open-ended fund, also known as an active exchange traded fund).

The investment objective of each Index Tracking Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index to that sub-fund.

A listed open-ended fund (i.e. an active exchange traded fund) does not track an index. The Manager will actively manage the relevant Non-Index Tracking Sub-Fund based on its investment strategy in seeking to achieve the investment objective of such sub-fund

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Each Sub-Fund will have its own Appendix.

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITY FINANCING AND BORROWING

Investment objective

A Sub-Fund may be an Index Tracking Sub-Fund or Non-Index Tracking Sub-Fund (including a listed open-ended fund, also known as an active exchange traded fund).

The investment objective of each Index Tracking Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the relevant Index unless otherwise stated in the relevant Appendix.

A listed open-ended fund (i.e. an active exchange traded fund) does not track an index. The Manager will actively manage the relevant Non-Index Tracking Sub-Fund based on its investment strategy in seeking to achieve the investment objective of such sub-fund.

Investment strategy

The investment strategy of each Sub-Fund is stated in the relevant Appendix.

Investment restrictions

If any of the restrictions or limitations set out below are breached in respect of a Sub-Fund, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy the situation, taking due account the interests of the Unitholders of that Sub-Fund.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised.

The investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) are summarised below:

(a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity through the following may not exceed 10% of the total Net Asset Value of such Sub-Fund, save as (in respect of an Index Tracking Sub-Fund) permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:

  (1) investments in Securities issued by such entity;

  (2) exposure to such entity through underlying assets of FDIs; and

  (3) net counterparty exposure to such entity arising from transactions of over-the-counter FDIs;

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the SFC, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the total Net Asset Value of the Sub-Fund:

  (1) investments in Securities issued by such entities;

  (2) exposure to such entities through underlying assets of FDIs; and

  (3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;

(c) unless otherwise approved by the SFC, the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the total Net

Asset Value of the Sub-Fund, unless:

(1) the cash is held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested, or

(2) the cash is proceeds from liquidation of investments prior to the merger or termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions may not be in the best interest of investors; or

(3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purpose of this sub-paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

(d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of a Sub-Fund, when aggregated with other ordinary shares of the same entity held for the account of all other Sub-Funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;

(e) not more than 15% of the total Net Asset Value of a Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;

(f) notwithstanding (a), (b), (d) and (e), where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and

(3) the Sub-Fund must produce the reports required by the Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;

(g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue, except for a Sub-Fund which has been authorised by the SFC as an index fund, this limit may be exceeded with the approval of the SFC;

(h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical

commodities;

(j) for the avoidance of doubt, exchange traded funds that are:

(1) authorised by the SFC under Chapter 8.6 or 8.10 of the Code; or

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (i) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

(k) where a Sub-Fund invests in shares or units of other collective investment schemes ("underlying schemes"),

(1) the value of such Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC, may not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund; and

(2) such Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the total Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund,

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);

(ii) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

(iii) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);

(3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and

(4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or quantifiable monetary benefits in connection with investments in any underlying scheme;

(l) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and may be authorised as a feeder fund by the SFC. In this case:

(1) the underlying scheme ("master fund") must be authorised by the SFC;

(2) the relevant Appendix must state that:

(i) the Sub-Fund is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund (i.e. feeder fund) and its master fund will be deemed a single entity;

(iii) the Sub-Fund's (i.e. feeder fund's) annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its underlying fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and

(4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and

(m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

The Manager shall not on behalf of a Sub-Fund:

(a) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;

(b) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in REITs). In the case of investments in such shares and REITs, they shall comply with the relevant investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable;

(c) make short sales if as a result a Sub-Fund would be required to deliver Securities exceeding

10% of the total Net Asset Value of a Sub-Fund (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations;

(d) lend or make a loan out of the assets of a Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(e) subject to (e), assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

(f) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of the Sub-Fund which involves the assumption of any liability which is unlimited; or

(g) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of a Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapters 7.29 and 7.30 of the Code.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted under Chapter 7.1 of the Code from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's total net asset value. For an Index Tracking Sub-Fund authorised under Chapter 8.6 of the Code as an index tracking exchange traded fund, given the investment objective of the Sub-Fund and nature of the relevant Index, the Sub-Fund is allowed under Chapter 8.6(h) of the Code to, notwithstanding Chapter 7.1 of the Code, hold investments in constituent Securities of any single entity exceeding 10% of the relevant Sub-Fund's total Net Asset Value if such constituent Securities account for more than 10% of the weighting of the index and the relevant Sub-Fund's holding of any such constituent Securities does not exceed their respective weightings in the underlying Index, except where the weightings are exceeded as a result of changes in the composition of the underlying Index and the excess is only transitional and temporary in nature.

However, the restrictions in 8.6(h)(i) and (ii) (as described above) do not apply if:

(1) an Index Tracking Sub-Fund adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the underlying Index in the exact weightings of such Index;

(2) the strategy is clearly disclosed in the Appendix;

(3) the excess of the weightings of the constituent Securities held by the Index Tracking Sub-Fund over the weightings in the underlying Index is caused by the implementation of the representative sampling strategy;

(4) any excess weightings of the Index Tracking Sub-Fund's holdings over the weightings in the underlying Index must be subject to a maximum limit reasonably determined by the Index Tracking Sub-Fund after consultation with the SFC. In determining this limit, the Index Tracking Sub-Fund must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the underlying Index and any other suitable factors;

(5) limits laid down by the Index Tracking Sub-Fund pursuant to the point above must be disclosed in the Appendix;

(6) disclosure must be made in the Index Tracking Sub-Fund's interim and annual reports as to whether the limits imposed by the Index Tracking Sub-Fund itself pursuant to the above point (4) have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

Financial derivative instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of a Sub-Fund enter into any FDI.

Where specified in the relevant Appendix, where a Sub-Fund acquires FDIs for hedging purpose, such FDIs shall meet all of the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss of risks arising from the investments being hedged;

(c) they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they should exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

Where specified in the relevant Appendix, where a Sub-Fund acquires FDIs for non-hedging purposes ("investment purposes"), the limit that a Sub-Fund's net exposure relating to these FDIs ("net derivative exposure") shall not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for such Sub-Fund pursuant to Chapter 8 .8 or Chapter 8.9 of the Code). For the avoidance of doubt:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions;

(b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and

(c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to Chapters 7.26 and 7.28 of the Code, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

The FDIs invested by a Sub-Fund shall be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates or currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. Where a Sub-

Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the Code provided that the relevant index is in compliance with Chapter 8.6(e) of the Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the total Net Asset Value of the Sub-Fund. The exposure of a Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

(d) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

Where a Sub-Fund invests in any FDI, it shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis.

For the purposes herein, assets that are used to cover a Sub-Fund's payment and delivery obligations incurred under transactions in FDIs should be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a Security, and cannot be applied for any other purposes.

A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should also be covered as follows:

- in the case of FDI transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. In the case of holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embedded financial derivatives as well. For the purposes herein, an "embedded financial derivative" is a financial derivative instrument that is embedded in another Security.

Collateral

Any collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut - collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and the Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Trustee;

- Enforceability – collateral must be readily accessible/enforceable by the Trustee without further recourse to the issuer of the FDIs, or the counterparty of the securities financing transactions;

- Cash collateral - cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. Non-cash collateral received may not be sold, re-invested or pledged;

  For the purpose herein, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Any re-investment of cash collateral shall be subject to the following further restrictions and limitations:

  (i) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and Chapter 8.2(n) of the Code;

  (ii) cash collateral received is not allowed to be further engaged in any securities financing transactions; and

(iii) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions.

- Encumbrances - collateral should be free of prior encumbrances; and

- Collateral generally should not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

Subject to the requirements above, below is a summary of the collateral policy and criteria adoptedby the Manager:

- eligible collateral include cash, cash equivalents, government bonds, supranational bonds, corporate bonds, stocks, funds and money market instruments;

- no maturity constraints will apply to the collateral received;

- collateral must be investment grade (i.e. BBB- or higher by Moody's or Standard & Poor's or equivalent);

- regular stress tests are carried out under normal and exceptional liquidity conditions to enable adequate assessment of the liquidity risks of the collateral received;

- the issuer of collateral is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's,or any other equivalent ratings by recognised credit rating agencies) or be a licensed corporation with the Commission or registered institution with the Hong Kong Monetary Authority when entering into such transactions;

- the Manager's haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the Manager's intention that any collateral received shall have a value (adjusted in light of the haircut policy) which equals or exceeds the relevant counterparty exposure where appropriate;

- the collateral should be sufficiently diversified in terms of country, markets and issuers with a limit to the maximum exposure to each given issuer. Where a Sub-Fund has exposure to different counterparties, different baskets of collateral (provided by different counterparties)will be aggregated to determine the Sub-Fund's exposure to a single issuer;

- the issuer of collateral will be independent from the counterparty of the relevant transaction and is expected not to display a high correlation with the creditworthiness of the relevant counterparty;

- collateral must be readily enforceable by the Trustee and may be subject to netting or set-off; and

- cash collateral may be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code. Otherwise, cash collateral will generally not be used for reinvestment purposes unless otherwise determined by the Manager and notified to investors.

A description of holdings of collateral (including but not limited to a description of the nature of collateral, identity of the counterparty providing the collateral, value of the Sub-Fund (by percentage) secured/covered by collateral with breakdown by asset class/nature and credit rating (if applicable)) will be disclosed in the Sub-Fund's annual and interim financial reports for the relevant period.

Securities financing transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into securities lending transactions, sale and repurchase transactions, reverse repurchase transactions ("securities financing transactions"), provided that they are in the best interests of the Unitholders, the associated risks have been properly mitigated and addressed, and the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

Where a Sub-Fund engages in securities financing transactions, it is subject to the following requirements:

- it shall have at least 100% collateralisation in respect of the securities financing transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

- all the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, shall be returned to the Sub-Fund;

- it shall ensure that it is able to at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

Borrowing policy

The Manager may borrow up to 10% of its total Net Asset Value of a Sub-Fund on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The Trustee may at the request of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of a Sub-Fund, for the following purposes:

(a) facilitating the creation or redemption of Units or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of the Sub-Fund; or

(c) for any other proper purpose as may be agreed by the Manager and the Trustee.

Securities lending transactions and sale and repurchase transactions in compliance with the requirements as set under the section entitled "Securities Financing Transactions" above are also not borrowings for the purpose of, and are not subject to the borrowing restrictions under this section.

Money market funds

Where a Sub-Fund is authorised by the SFC as a money market fund under Chapter 8.2 of the Code, the Sub-Fund shall also comply with the following investment restrictions:

(a) subject to the provisions below, a Sub-Fund may only invest in short-term deposits and high quality money market instruments, and up to 10% of its total Net Asset Value in other money market funds authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;

For the purpose herein, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Subject to Chapter 8.2(j) of the Code, "money market instruments" may include asset-backed Securities such as asset-backed commercial papers.

(b) a Sub-Fund must maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an

instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities;

For the purposes herein:

(i) "weighted average maturity" is a measure of the average length of time to maturity of all the Securities in a Sub-Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of a Sub-Fund to changing money market interest rates; and

(ii) "weighted average life" is the weighted average of the remaining life of each Security held in a Sub-Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a Security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

(c) notwithstanding paragraphs (a) and (c) under "Investment Restrictions" above, the aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total Net Asset Value of a Sub-Fund except:

i. where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or

ii. in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or

iii. in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of a Sub-Fund, where a Sub-Fund cannot otherwise diversify as a result of its size;

(d) notwithstanding paragraphs (b) and (c) under "Investment restrictions" above, the aggregate value of a Sub-Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its total Net Asset Value except:

i. in respect of any cash deposit of less than USD1,000,000 or its equivalent in the base currency of a Sub-Fund, where a Sub-Fund cannot otherwise diversify as a result of its size; and

ii. where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;

(e) the value of a Sub-Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its total Net Asset Value;

(f) subject to the requirements in the Code as summarised under "Collateral" and "Securities Financing Transactions" below, the Sub-Fund may engage in sale and repurchase and reverse repurchase transactions in compliance with the following additional requirements:

i. the amount of cash received by a Sub-Fund under sale and repurchase transactions may not in aggregate exceed 10% of its total Net Asset Value;

ii. the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the total Net Asset Value of a Sub-Fund;

iii. collateral received may only be cash, high quality money market instruments, and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and

iv. the holding of collateral, together with other investments of a Sub-Fund, must not contravene the investment limitations and requirements set out in paragraphs (a) to (h) hereunder;

(g) a Sub-Fund may use FDIs for hedging purposes only;

(h) the currency risk of a Sub-Fund shall be appropriately managed and any material currency risk that arises from investments of a Sub-Fund that are not denominated in the Base Currency shall be appropriately hedged;

(i) a Sub-Fund must hold at least 7.5% of its total Net Asset Value in daily liquid assets and at least 15% of its total Net Asset Value in weekly liquid assets;

For the purposes herein:

i. "daily liquid assets" refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and

ii. "weekly liquid assets" refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities;

(j) a Sub-Fund that offers a stable or constant net asset value or which adopts an amortized cost accounting for valuation of its assets may only be considered by the SFC on a case-by-case basis.

Investment restrictions (in respect of CSOP Gold ETF only)
Unless otherwise approved by the SFC and subject always to the Appendix 7 and the provisions in the Trust Deed, the following principal investment restrictions apply to the Sub-Fund:

(a) subject to (b) below, the Sub-Fund may only invest in Bullion and the Sub-Fund may not hold securities;

(b) the Sub-Fund may invest no more than 10% of its Net Asset Value in aggregate in:

(i) cash (HKD or USD) and other HKD or USD denominated short-term deposits with authorized institutions in Hong Kong, high quality money market instruments (issued by governments, quasi-governments, international organisations, financial institutions and corporations);

(ii) money market funds authorized by the SFC;

(iii) paper gold schemes authorized by the SFC;

(iv) other physical ETFs authorized by the SFC and listed on the SEHK (whose primary investment objective is to track the performance of a gold benchmark) (any investments in physical ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code);

(v) collective investment schemes investing in physical gold authorized by the SFC;

(vi) financial derivative instruments (such as gold futures); and

(c) the Sub-Fund may only hold Bullion meeting the standards of London Good Delivery of minimum fineness of 99.5% gold and such Bullion must be held in the Sub-Fund's name on a fully allocated basis.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Trustee (in its base currency as set out in the relevant Appendix) as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Where a Sub-Fund has more than one class of Units, to ascertain the Net Asset Value of a class of Units, a separate class account will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Unit will be credited to the relevant class account. The Net Asset Value of each class of Units as at any Valuation Point shall be calculated by:

(a) allocating among each class the Net Asset Value of the Sub-Fund pro rata in accordance with the Net Asset Value of each class, then adding the creations or subscriptions (as the case may be) and deducting the redemptions in respect of each class, immediately prior to the relevant Valuation Point; and

(b) deducting from the Net Asset Value of the class in question the fees, costs, expenses or other liabilities attributable to that class not already deducted in ascertaining the Net Asset Value of the Sub-Fund and adding to the Net Asset Value, assets specifically attributable to that class in order to arrive at the Net Asset Value of that relevant class.

Set out below is a summary of how various properties held by the relevant Sub-Fund are valued:

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price, or if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, by the Manager after consultation with the Trustee, (iii) in the case of a Security that is a debt instrument which may or may not be the constituent of the index, the value of such Security shall be determined in accordance with the index's valuation policy (if applicable) (this being the fair value), and the Manager and the Trustee shall have the final determination right to the valuation of such quoted security and shall be entitled to use prices furnished by the index provider (if applicable); (iv) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (v) the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or last traded prices as the case may be;

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;

(c) futures contracts will be valued based on the formulae set out in the Trust Deed;

(d) except as provided for in paragraph (a)(iii) or (b), the value of any investment which is not listed quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager shall, in consultation with the Trustee, cause a revaluation to be made on a regular basis by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

(e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager and in consultation with the Trustee, any adjustment should be made to reflect the value thereof; and

(f) (in respect of CSOP Gold ETF only):

any Bullion which is deliverable or delivered to the Sub-Fund will either be measured in (1) fine weight of troy ounces and/or (2) in fine weight of kilograms and will be valued in the following ways:

i. for Bullion which is measured in fine weight of troy ounces, it will be valued based upon the LBMA Gold Price AM;

ii. for Bullion which is measured in fine weight of kilograms, it will be valued based upon the LBMA Gold Price AM divided by a conversion factor of 0.0311034768 (1 troy ounce = 0.0311034768 kilogram, truncated 10 decimal places); and

the value of each unit, share or interest in any physical gold exchange traded fund shall, unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price, or if unavailable, the last traded price on the market as the Manager may consider in the circumstances to provide fair criterion; and

(g) notwithstanding the foregoing, the Manager in consultation with the Trustee may adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, it considers that such adjustment is required to fairly reflect the value of the investment.

At the instructions of the Manager, the Trustee will perform any currency conversion at rates which the Trustee and the Manager deem appropriate from time to time.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the relevant Sub-Fund are valued.

To the extent that the valuation or accounting basis adopted by the Sub-Fund deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation note to reconcile values arrived at by applying the Trust's valuation rules.

Suspension of determination of Net Asset Value

The Manager may, in consultation with the Trustee having regard to the best interests of the Unitholders, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund or Class for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments (in respect of CSOP Gold ETF only, investments should include Bullion) of the relevant Sub-Fund;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities (in respect of CSOP Gold ETF only, Securities should include Bullion) held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the Sub-Fund;

(c) for any other reason the prices of investments (in respect of CSOP Gold ETF only, investments should include Bullion) of the relevant Sub-Fund cannot, in the opinion of the

Manager, reasonably, promptly and fairly be ascertained ;

(d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, Securities (in respect of CSOP Gold ETF only, Securities should include Bullion) of the relevant Sub-Fund or the subscription or redemption of Units of the Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(f) the business operations of the Manager, the Trustee, or the custodian or depositary (including the Custodian, the Gold Custodian, the Sub-Gold Custodian(s) and the PRC Custodian (as applicable) are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God; or

(g) (in respect of CSOP Gold ETF only) during any period when the Trustee and/or any of its delegates or agents (including the Gold Custodian and/or Sub-Gold Custodian(s)) in relation to the operation of a Designated Vault at which the Sub-Fund's Bullion is held cannot operate such facility.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund and the Manager shall be under no obligation to rebalance the relevant Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at http://www.csopasset.com (the contents of which have not been reviewed by the SFC) or in such publications as it decides.

In respect of the Listed Class of Units, no Application shall be made by any of the Participating Dealers and in the event any Application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such Application shall be deemed as having been received immediately following the termination of the suspension.

In respect of the Unlisted Class of Units, no subscription application shall be made by any investors and in the event any subscription application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such subscription application shall be deemed as having been received immediately following the termination of the suspension.

No Units will be created and issued or redeemed during any period of suspension of the Net Asset Value.

In respect of Listed Class of Units, a Participating Dealer may at any time after a suspension has been declared and before termination of such suspension withdraw an Application submitted prior to such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If the Manager has not received any such notification of withdrawal of such Application before termination of such suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, create and issue Listed Class of Units or redeem Listed Class of Units in respect of such Application and such Application shall be deemed to be received immediately following the termination of such suspension.

In respect of Unlisted Class of Units, any subscription, switch or redemption application submitted prior to a suspension may be withdrawn at any time after such suspension has been declared and before termination of such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If the Manager has not received any such notification of withdrawal of such subscription, switch or redemption application before termination of the suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, issue, switch or redeem such Unlisted Class of Units in respect of such application and such application shall be deemed to be received immediately following the termination of such suspension.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, current as at this date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix. Investors should note that certain fees and expenses are applicable only to Listed Class of Units, and certain other fees and expenses are applicable only to Unlisted Class of Units.

Fees and Expenses Payable in respect of a Listed Class of Units only

(a)	**Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Units (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee	As set out in the relevant Appendix[1]
	Service Agent's fee	HKD1,000[2] per book-entry deposit and withdrawal transaction
	Registrar fee	As set out in the relevant Appendix[3]
	Application cancellation fee	As set out in the relevant Appendix[4]
	Extension fee	As set out in the relevant Appendix[5]
	Stamp duty	Nil
	All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

(b)	**Fees and expenses payable by investors of Listed Class of Units**	**Amount**
	(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[6]	Such amounts as determined by the relevant Participating Dealer

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1 *A Transaction Fee is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

2 *The Service Agent's fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

3 *The Registrar will charge each Participating Dealer a fee for each Creation Application and Redemption Application.*

4 *An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).*

5 *An extension fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.*

6 *The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.*

	(ii) Fees payable by all investors in respect of dealings in the Units on SEHK (applicable After Listing)	
	Brokerage fees	Market rates
	Transaction levy	0.0027%[7]
	AFRC transaction levy	0.00015%[8]
	Trading fee	0.00565%[9]
	Stamp duty	Nil
(c)	**Fees and expenses payable by a Sub-Fund**	(See further disclosure below)

Fees and Expenses Payable in respect of an Unlisted Class of Units only

The following fees and charges are payable by investors of an Unlisted Class of Units:

Subscription fee

Under the Trust Deed, the Manager is entitled to impose a subscription fee on the issue of any Unlisted Class of Units of any Sub-Fund of up to a maximum of 5% of the subscription monies.

The subscription fee is payable in addition to the Subscription Price per Unit. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee (either in relation to a Sub-Fund or a particular class) of a Sub-Fund.

Redemption fee

Under the Trust Deed, the Manager is entitled to impose a redemption fee on the redemption of any Unlisted Class of Units of any Sub-Fund of up to a maximum of 3% of the redemption proceeds payable in respect of such Units.

The redemption fee is deducted from the redemption proceeds payable to a Unitholder in respect of each Unit of an Unlisted Class of Unit redeemed. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee (either in relation to a Sub-Fund or a particular class) of a Sub-Fund.

Switching fee

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of any Unlisted Class of Units of up to 1% of the redemption proceeds payable in respect of the Existing Class (as defined below) being switched.

The switching fee is deducted from the amount realised from redemption of the Existing Class and reinvested in the New Class (as defined below) and will be paid to the Manager. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the switching fee (either generally or in any particular case) of a Sub-Fund.

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[7] *Transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

[8] *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by the buyer and the seller.*

[9] *Trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*

Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Units and Unlisted Class of Units)

Management fee

The current management fee percentage in respect of each Sub-Fund or class of Units is set out in the relevant Appendix and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

A Sub-Fund may employ a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Single Management Fee") and details will be set out in the relevant Appendix of the Sub-Fund.

For a Sub-Fund which does not employ a single management fee structure, unless otherwise specified in the relevant Appendix, the following fees and expenses may be payable out of and borne by the Sub-Fund: the Trustee's fee, the Registrar's fees, the Service Agent's fees, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the Trustee and costs and expenses of licensing indices used in connection with the Sub-Fund.

Under the Trust Deed, the Manager may increase the rate of the management fee up to a maximum of 3% per annum of the Net Asset Value of the relevant Sub-Fund on giving not less than one month's notice to the Trustee and the relevant Unitholders, or to such higher percentage as may be approved by the relevant Unitholders in accordance with the terms of the Trust Deed.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Gold Custodian's fees (applicable to CSOP Gold ETF only)

The Gold Custodian is entitled to receive a gold custody fee from the Sub-Fund as set out in the relevant Appendix.

Estimated ongoing charges

The estimated ongoing charges (where a Sub-Fund is newly established) or actual ongoing charges of a Sub-Fund where applicable, which are the sum of anticipated ongoing expenses of the relevant Sub-Fund expressed as a percentage of the estimated average Net Asset Value of the relevant Sub-Fund, are set out in the relevant product key facts statement. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund will also be included in the ongoing charges calculation. Ongoing expenses are generally payments deducted from the assets of a Sub-Fund where these are permitted by the Trust Deed, the Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. The estimated or actual ongoing charges of a Sub-Fund do not represent the estimated or actual tracking error of the Sub-Fund.

Other expenses

Each Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerage fees, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units of any Listed Class of Units on the SEHK or other exchange and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs

incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, preparing, printing and distributing annual accounts and interim unaudited reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

In addition, in respect of a Sub-Fund or a class of Sub-Fund which adopts a single management fee structure, any ongoing expenses (including the amortised portion of the relevant cost of establishment) exceeding the applicable single management fee will be borne by the Manager and will not be charged to the Sub-Fund or the class of the Sub-Fund, as the case may be. Please also refer to the sub-section headed "Establishment costs" below for more details regarding the amortisation of the cost of establishment of the Trust and each Sub-Fund.

Establishment costs

The cost of establishing the Trust and ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be HKD1,000,000 (which are estimated to be RMB2.5 million) were borne by the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF as determined by the Manager.

The cost of establishing the CSOP RMB Money Market ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be HKD1,000,000 (which are estimated to be RMB1,650,000) will be borne by the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP RMB Money Market ETF or such other period as determined by the Manager.

The cost of establishing the CSOP FTSE US Treasury 20+ Years Index ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be HKD600,000 (which are estimated to be USD80,000) will be borne by the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP FTSE US Treasury 20+ Years Index ETF or such other period as determined by the Manager.

The cost of establishing the CSOP FTSE Hong Kong Equity ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code, which are not expected to exceed HKD650,000, will be paid out of the management fee in respect of CSOP FTSE Hong Kong Equity ETF (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP FTSE Hong Kong Equity ETF or such other period as determined by the Manager.

The cost of establishing the CSOP FTSE Asia Pacific Select REITs ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be HKD600,000 (which are estimated to be USD80,000) will be borne by the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP FTSE Asia Pacific Select REITs ETF or such other period as determined by the Manager.

The cost of establishing the CSOP Huatai-PB CSI A500 ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be not exceeding HKD800,000 (which are estimated to be not exceeding USD100,000) will be borne by the Sub-

Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP Huatai-PB CSI A500 ETF or such other period as determined by the Manager

The cost of establishing the CSOP Gold ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs and including, if considered appropriate by the Manager, any additional costs of determining the stock code which are estimated to be HKD 1,750,000 (which are estimated to be USD 220,000) will be borne by the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of CSOP Gold ETF or such other period as determined by the Manager.

The cost of establishing subsequent Sub-Funds will be borne by the relevant Sub-Fund to which such costs relate (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of the relevant Sub-Fund.

The attention of investors is drawn to the risk factor entitled “Valuation and Accounting Risk”.

Promotional Expenses

Each Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Trust Fund.

Increase in fees

The current fees in respect of each Sub-Fund payable to the Manager and the Trustee as described in the relevant Appendix may be increased on one month’s notice to Unitholders, subject to the maximum rates set out in the Trust Deed. In the event that such fees are to be increased beyond the maximum rates set out in the Trust Deed, such increase will be subject to the Unitholders’ and the SFC’s approval.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to all Sub-Funds. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix. In particular, further risk factors applicable to the Sub-Funds which adopt a Dual Counter (in addition to these below) are set out in the relevant Appendix.

Risks associated with investment in any Sub-Fund

Market Risk. The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Sub-Fund is based on the capital appreciation and income on the Securities it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index.

Investors in a Sub-Fund are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

Asset Class Risk. Although the Manager is responsible for the continuous supervision of the investment portfolio of the Sub-Funds, the returns from the types of Securities in which a Sub-Fund invests may underperform or outperform returns from other Securities markets or from investment in other assets. Different types of Securities tend to go through cycles of out-performance and underperformance when compared with other general Securities markets.

***Loss of Capital Risk*.** A Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. Therefore your investment in a Sub-Fund may suffer losses.

Investments in Other Funds Risk. As part of the Sub-Fund's investment strategy, the Manager may invest in other investment products such as SFC authorised money market funds or other underlying funds that may not be regulated by the SFC. Although such funds will either be regulated in Hong Kong or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, the relevant Sub-Fund will be exposed to the risk of investing in another management company's funds with all the related risks which attach to unlisted funds generally. In particular, as an investor in such funds, the relevant Sub-Fund will ultimately bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. These charges will be in addition to the fees payable by the relevant Sub-Fund to the Manager.

If a Sub-Fund invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In addition, where an underlying fund is managed by the Manager, all management and performance fees charged by the underlying fund will be waived for the relevant Sub-Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

***Distributions May Not Be Paid Risk*.** Whether or not distributions will be made by a Sub-Fund is at the discretion of the Manager taking into account various factors and its own distribution policy. Some factors are beyond the control of the Manager, such as issuer risk where the bond issuer fails

to pay interest.

Distributions Out of Capital or Effectively Out of Capital Risk. Subject to the distribution policy as specified in the Appendix of the relevant Sub-Fund, the Manager may at its discretion pay dividends out of the capital of a Sub-Fund. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the relevant Sub-Fund are charged to/paid out of the capital of such Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the relevant Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of a Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit.

Currency Risk. Underlying investments of a Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of Shares may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. If the relevant Sub-Fund's Net Asset Value is determined on the basis of HKD, an investor may lose money if he/she invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund's holdings goes up.

***Foreign Security Risk*.** A Sub-Fund may invest in foreign debt markets. Such markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic developments. Investing in the Securities of non-Hong Kong entities involves special risks and considerations not typically associated with investing in Hong Kong entities. These include differences in accounting, auditing and financial reporting standards, the possibility of nationalisation of assets, expropriation or confiscatory taxation, or regulation, the imposition of withholding taxes on payments or distributions referable to underlying Securities, adverse changes in investment, tax or exchange control regulations, economic growth and indicators (such as GDP, inflation rate, self-sufficiency and balance of payments position of the relevant economy), government regulation, political instability that could affect local investments in foreign countries, and potential restrictions on the flow of international capital. Each of these factors may have a large impact on the performance of a Sub-Fund.

***Management Risk*.** This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities held by the Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved. Investors should also note that in certain cases, none of the Manager, the Sub-Funds or the Unitholders has any voting rights with respect to Securities held by the relevant Sub-Fund.

***Operational and Settlement Risks*.** Trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. Such trade errors may have adverse consequences (for example, due to an inability to correct effectively such an error when detected).

A Sub-Fund is subject to operational risks that may arise from any breaches by the Manager's investment management staff of the Manager's operational policies or technical failures of communication and trading systems. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee events beyond the control of the Manager (such as unauthorised trading, trading errors or system errors) will not occur.

To the extent that a Sub-Fund transacts in the inter-bank bond market in the PRC mainland, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. Many of the protections afforded to participants on some organised exchanges,

such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on the inter-bank bond market which is an over-the-counter market. All trades settled through CCDC are on delivery versus payment basis i.e. the Sub-Fund will only pay the counterparty upon receipt of the Securities. If a counterparty defaults in delivering the Securities, the trade may be cancelled and the Sub-Fund may need to find another counterparty to complete the transaction, which may be at a less favourable price and thus adversely affecting the value of the Sub-Fund.

Any transaction via exchange markets may also be subject to settlement delays.

***Transaction Counterparty Risk*.** Institutions, such as banks, securities firms and asset managers, may enter into transactions with the Sub-Fund in relation to the sale and purchase of assets or Securities. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Sub-Fund and as a result adversely impact the value of the Sub-Fund and investors may suffer a loss as a result. The Sub-Fund intends to attempt to limit its investment transactions to well-capitalised and established banks and securities firms in an effort to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the Sub-Fund.

***Provision of Indemnity Risk*.** Under the Trust Deed, the Trustee and the Manager have the right to be indemnified for any liability or expense incurred by them in performing their respective duties except as a result of their own negligence, default or breach of duty or trust or fraud. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the affected Sub-Fund or the Trust and the value of the Units.

***Operating Cost Risk*.** There is no assurance that the performance of the Sub-Fund will achieve its investment objective. The level of fees and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

***Cross Class Liability Risk*.** The Trust Deed allows the Trustee and the Manager to issue Units in separate classes. The Trust Deed provides for the manner in which liabilities are to be attributed across the various classes within the Sub-Fund (liabilities are to be attributed to the specific class of the Sub-Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant class (in the absence of the Trustee granting that person a security interest). However, the Trustee will have a right of reimbursement and indemnity out of the assets of the Trust which may result in Unitholders of 1 class of Units of the Sub-Fund being compelled to bear the liabilities incurred in respect of another class of the Sub-Fund which Units such Unitholders do not themselves own if there are insufficient assets attributable to that other class to satisfy the amount due to the Trustee. Accordingly, there is a risk that liabilities of 1 class of the Sub-Fund may not be limited to that particular class and may be required to be paid out of one or more other classes of the Sub-Fund.

***Cross Sub-Fund Liability Risk*.** The assets and liabilities of each sub-fund under the Trust will be tracked, for bookkeeping purposes, separately from the assets and liabilities of any other sub-funds under the Trust, and the Trust Deed provides that the assets of each sub-fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction will respect the limitations on liability and that the assets of any particular sub-fund will not be used to satisfy the liabilities of any other sub-fund.

Reliance on the Manager Risk. Unitholders must rely upon the Manager in formulating the investment strategies of the Sub-Fund and the performance of the Sub-Fund is largely dependent on the services and skills of its officers and employees as well as the utilisation of its QFI status (if applicable). In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills,

qualifications and QFI status (if applicable) quickly (or at all) and the new appointment may not be on equivalent terms or of similar quality.

***Effect of Redemptions Risk*.** If significant redemptions of Units are requested by the Participating Dealers or Unitholders of Unlisted Class of Units, it may not be possible to liquidate the Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers or Unitholders of Unlisted Class of Units, the right to require redemptions in excess of 10% of the total number of Units in the Sub-Fund then in issue (or such higher percentage as the Manager may determine and as permitted by the SFC) may be deferred, or the period for the payment of redemption proceeds may be extended. In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of the Sub-Fund for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Termination Risk. A Sub-Fund may be terminated early under certain circumstances as set out in the section "Termination", for example if the size of a Sub-Fund falls below RMB150 million (or its equivalent in the relevant Sub-Fund's base currency). Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in such Sub-Fund to the Unitholders in accordance with the Trust Deed. Investors may suffer a loss when a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Unitholder. A Unitholder who purchases Units at a time when the market price is at a premium to Net Asset Value may therefore be unable to recover the premium in the event a Sub-Fund is terminated.

Borrowing Risk. The Trustee, at the request of the Manager, may borrow for the account of a Sub-Fund on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. Borrowing involves an increased degree of financial risk and may increase the exposure of a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that a Sub-Fund's indebtedness will be accessible or be able to be refinanced by such Sub-Fund at any time.

Severe Weather Conditions. The SEHK has announced that, from 23 September 2024, on any day on which severe weather conditions persist (i.e. Typhoon Signal No. 8 or above is hoisted, or Black Rainstorm Warning is issued by the Hong Kong Observatory, or a situation of "Extreme Conditions" is announced by the Hong Kong Government), trading, clearing and settlement services and operations will continue in both the securities and derivatives markets in Hong Kong, and the SEHK will maintain normal operations to the furthest extent possible.

Accordingly, the Listed Classes of each Sub-Fund will be traded on the SEHK on such days, if the SEHK maintains normal operations. Further, on each such day which is a Dealing Day, it is intended that the dealing of Unlisted Classes of Units of each Sub-Fund (if offered) will be conducted, pursuant to the terms and procedures set out in this Prospectus.

The implementation of trading and dealing of Units of the Trust (and the Sub-Funds) will depend on the operational support of its service providers. Although system testing has been performed, and contingency plans have been developed, there is a possibility of extreme events (e.g. temporary power outages or the suspension of electronic money transfer channels) so that service providers of the Trust may not be able to operate, or to operate at the usual level.

While the Manager, the Trustee and other service providers of the Trust will take appropriate measures to ensure normal operations as far as possible, to facilitate the investment in different classes of Units, in both the primary and the secondary markets, investors should note that their ability to invest will also depend on the availability of the services of their own service providers. For example, investors who wish to invest in the Listed Classes of Units of a Sub-Fund will have to do so through their brokers, while investors in the Unlisted Classes will need to check with their authorised distributors whether dealing is offered through them, on a day on which severe weather

conditions persist. These service providers are independent of the Manager, and it cannot be guaranteed that their services will not be disrupted by severe weather events.

Risks associated with Market Trading (applicable to Listed Class of Units only)

Absence of Active Market and Liquidity Risks. Although Listed Class of Units of a Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities which comprise the Sub-Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If a Unitholder needs to sell its Units at a time when no active market for them exists, the price it receives for its Units — assuming it is able to sell them — is likely to be lower than the price received if an active market did exist.

Secondary Market Trading Risk. Listed Class of Units in a Sub-Fund may trade on the SEHK when the Sub-Fund does not accept orders to subscribe or redeem Units. On such days, Listed Class of Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Sub-Fund accepts subscription and redemption orders.

***Reliance on Market Makers Risk*.** Although the Manager will use its best endeavours to put in place arrangements so that at least 1 Market Maker will maintain a market for the Listed Class of Units traded in each counter, and that at least 1 market maker for each counter gives not less than 3 months' notice prior to terminating market making under the relevant market making agreement, there may be circumstances such as the revocation of the relevant market making approvals or registration or other changes beyond the control of the Manager that may result in the sudden loss of a market maker for a Sub-Fund. It should be noted that liquidity in the market for the Listed Class of Units may be adversely affected if there is no Market Maker for the RMB traded Units or no Market Maker for the HKD traded Units. There may be less interest by potential Market Makers in making a market in Units denominated or traded in RMB. Further, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only 1 SEHK Market Maker to a counter or to the Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker. Further, due to the lack of hedging tools such as treasury bond futures, it may be more difficult for the Manager to engage a substitute Market Maker and therefore the risk of not being able to identify and engage a substitute market maker is higher than that of other ETFs that invest in more liquid Securities and developed markets. There is also no guarantee that any market making activity will be effective.

***Reliance on Participating Dealers*.** The creation and redemption of Listed Class of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Listed Class of Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or the underlying Index (in respect of an Index Tracking Sub-Fund) is not available. In addition, Participating Dealers will not be able to issue or redeem Listed Class of Units if some other event occurs that impedes the calculation of the Net Asset Value of a Sub-Fund or disposal of a Sub-Fund's Securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only 1 Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Listed Class of Units freely.

***Units may Trade At Prices Other Than Net Asset Value Risk*.** The trading price of Listed Class of Units on the SEHK is subject to market forces and may trade at a substantial premium or discount to the most recent Net Asset Value. The Net Asset Value per Unit is calculated at the end of each Business Day and fluctuates with changes in the market value of the holdings. The trading prices of the Listed Class of Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class of Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Listed Class of Units trading at a premium or discount to the Net Asset

Value in the secondary market. On the basis that Listed Class of Units can be created and redeemed in Application Unit Size at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Listed Class of Units will normally trade at prices close to a Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the Net Asset Value of the Sub-Fund due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class of Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Trading Risk. As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Listed Class of Units (bid price) and the price at which they are willing to sell Listed Class of Units (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class of Units may not be advisable particularly for investors who anticipate making small investments regularly.

Trading Time Differences Risk. As a stock exchange or futures exchange may be open when the Listed Class of Units are not priced, the value of any Security which comprises the Index may change when investors may not be able to buy or sell Listed Class of Units. Further the price of Securities may not be available during part of the SEHK trading day due to trading hour differences which may result in the trading price of Units deviating from the Net Asset Value per Unit.

***Cost of Trading Units Risk*.** Buying or selling Listed Class of Units involves various types of costs that apply to all Securities transactions. When trading Listed Class of Units through a broker investors will incur a brokerage commission or other charges imposed by the broker. In addition, investors on the secondary market, will also incur the cost of the trading spread, which is the difference between what investors are willing to pay for the Units (bid price) and the price they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class of Units may not be advisable particularly for investors who anticipate regularly making small investments. Investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK.

***Suspension of Trading Risk*.** Investors and potential investors will not be able to buy, nor will investors be able to sell Listed Class of Units on the SEHK during any period in which trading of the Listed Class of Units is suspended. The SEHK may suspend the trading of Listed Class of Units whenever the SEHK determines that it is appropriate in the interests of a fair and orderly market to protect investors. The Manager may, in accordance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, request for the trading of Listed Class of Units to be suspended. Any such suspension would depend on the SEHK's agreement to the suspension. The subscription and redemption of Listed Class of Units may also be suspended if the trading of Listed Class of Units is suspended.

***Insufficiency of Duties and Charges Risk*.** A preset spread, included in Duties and Charges, related to subscription or redemption price calculation in a cash creation or cash redemption may be determined prior to trading of the underlying Securities to cover estimated trading costs. If such spread is narrower than the actual associated trading costs, the Net Asset Value of a Sub-Fund will be adversely affected.

Differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units

Each Sub-Fund may offer both Listed Class of Units and Unlisted Class of Units. Dealing arrangements in respect of Listed Class of Units and Unlisted Class of Units are different, and depending on market conditions, investors of the Listed Class of Units may be at an advantage compared to investors of the Unlisted Class of Units, or vice versa.

Unlike investors of Listed Class of Units who may buy and sell Units in the secondary market during SEHK trading hours, investors of Unlisted Class of Units are only able to subscribe and redeem at the relevant Subscription Price and Redemption Price (as the case may be) based on the latest available Net Asset Value as at the end of each Dealing Day. As such, holders of Listed Class of Units would have intra-day trading opportunities which will not be available to holders of Unlisted Class of Units. In a stressed market scenario, holders of Listed Class of Units can sell their units on the secondary market during SEHK trading hours if the market continues to deteriorate, while holders of Unlisted Class of Units will not be able to do.

Conversely, secondary market investors generally do not have access to the redemption facilities which are available to investors of Unlisted Class of Units. During stressed market conditions, Participating Dealers may, on their own account or on behalf of primary market investors, redeem Listed Class of Units on the primary market at the Net Asset Value of the relevant Sub-Fund, but the secondary market trading prices may have diverged from the corresponding Net Asset Value. In such circumstances, holders of the Listed Class of Units in the secondary market will be at an apparent disadvantage to holders of the Unlisted Class of Units as the latter will be able to redeem from the relevant Sub-Fund at Net Asset Value whilst the former will not.

The Net Asset Value per Unit of each of the Listed Class of Units and Unlisted Class of Units may also be different due to the different fees and costs applicable to each class of Units.

Please also refer to "Market Trading Risks Associated with the Sub-Fund (applicable to the Listed Class of Units only)" above for additional risks relating to Listed Class of Units.

Risks associated with the Indices

***Fluctuations Risk*.** The performance of the Units should, before expenses, correspond closely with the performance of the relevant Index. If the relevant Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

***Composition of and Weightings in the relevant Index may change Risk*.** The constituents which comprise the relevant Index are changed by the Index Provider from time to time. The price of the Units may rise or fall as a result of such changes. The weighting or composition of the Securities owned by the Sub-Fund would be changed as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the relevant Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

***Licence to use the relevant Index may be terminated Risk*.** The Manager is granted a licence by each of the Index Provider to use the relevant Index to create the relevant Sub-Fund based on the Index and to use certain trade marks and any copyright in the relevant Index. A Sub-Fund may not be able to fulfill its objective and may be terminated if the licence agreement is not renewed, or terminated early by the Index Provider upon 90 days' prior written notice to the Manager. A Sub-Fund may also be terminated if the Index Provider has given 90 days' prior written notice to the Manager to discontinue the relevant Index and there is no replacement or substitute index made available to the Manager.

***Compilation of Index Risk*.** The Securities of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. Each Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider does not make any representation or warranty, express or implied, to investors in any Sub-Fund or other persons regarding the advisability of investing in Securities generally or in any Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or

investors in the relevant Sub-Fund into consideration in determining, composing or calculating the relevant Index.

There is no assurance that each Index Provider will compile the relevant Index accurately, or that the relevant Index will be determined, composed or calculated accurately and index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used. During a period where the relevant Index contains incorrect constituents, the relevant Sub-Fund tracking such published Index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the relevant Sub-Fund and the Unitholders.

Apart from scheduled rebalances, each of the Index Provider may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the relevant Index of a Sub-Fund is rebalanced and such Sub-Fund in turn rebalances its portfolio to bring it in line with its Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by such Sub-Fund and, by extension, its Unitholders.

Therefore, errors and additional ad hoc rebalances carried out by each of the Index Provider to the relevant Index may increase the costs and market exposure risk of the relevant Sub-Fund.

In addition, the process and the basis of computing and compiling the relevant Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by each Index Provider without notice. Consequently there can be no guarantee that the actions of each Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager or investors.

Regulatory Risks

Withdrawal of SFC Authorisation Risk. Each Sub-Fund has been authorised as a collective investment scheme under the Code by the SFC pursuant to Section 104 of the SFO. Authorisation by the SFC is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a product or its performance. It does not mean a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of a Sub-Fund or impose such conditions as it considers appropriate. Without limiting the foregoing, the SFC may withdraw authorisation where the SFC no longer considers an underlying Index (in respect of an Index Tracking Sub-Fund) acceptable. If the Manager does not wish a Sub-Fund to continue to be authorised by the SFC, the Manager will give Unitholders at least 3 months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn or varied by the SFC. If as a result of such withdrawal or variation of conditions it becomes illegal, impractical or inadvisable to continue a Sub-Fund, such Sub-Fund will be terminated.

Hong Kong and PRC Mainland Regulatory Policies Risk. The Hong Kong or PRC mainland government or the Hong Kong or PRC mainland regulators may intervene in the financial markets. These changes may be introduced suddenly and in accordance with market conditions. Such changes may have a negative impact on existing funds including without limitation, an adverse cost impact which may materially prejudice existing investors of a Sub-Fund. Further, any such change in policies may also negatively impact the incentive of the counterparties to participate in a Sub-Fund and thereby decreasing the liquidity of a Sub-Fund. In order to maintain its authorisation status and to continue to list on the SEHK, a Sub-Fund will be required to comply with such rules and policies at all times. To the extent that any such change in rules or policies adversely impact a Sub-Fund, investors may suffer accordingly.

***Units May be Delisted from the SEHK Risk (applicable to Listed Class of Units only)*.** The SEHK imposes certain requirements for the continued listing of Securities, including the Listed Class of Units, on the SEHK. Investors cannot be assured that a Sub-Fund will continue to meet the requirements necessary to maintain the listing of Listed Class of Units on the SEHK or that the SEHK will not change the listing requirements. If the Listed Class of Units are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of a Sub-Fund. The Manager may, in consultation with the Trustee, seek the SFC's prior approval to operate only Unlisted Class of Units in respect of a Sub-Fund (subject to any necessary amendments to the rules of a Sub-Fund) or terminate a Sub-Fund and will notify investors accordingly. Where a Sub-Fund remains authorised by the SFC, such procedures required by the Code will be observed by the Manager.

***Legal and Regulatory Risk*.** Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions. This may affect the operation and market making activities of a Sub-Fund, and may have an unpredictable impact on a Sub-Fund. A Sub-Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by a Sub-Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of a Sub-Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for any Sub-Fund. In the worst case scenario, a Unitholder may lose all its investments in a Sub-Fund.

Taxation Risk. Investing in a Sub-Fund may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Units. Such tax consequences may differ in respect of different investors.

Risks associated with Foreign Account Tax Compliance Act. Sections 1471 – 1474 (referred to as "FATCA") of the US Internal Revenue Code of 1986, as amended ("IRS Code") will impose new rules with respect to certain payments to non-United States persons, such as the Trust and the Sub-Funds, including interest and dividends from securities of US issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service ("IRS") to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an "FFI"), such as the Trust and the Sub-Funds (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an "FFI Agreement") with the US IRS under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such United States person owners to the US IRS.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all "withholdable payments" derived from US sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2017, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating US source dividends or interest will be treated as "withholdable payments." It is expected that certain non-U.S. source payments attributable to amounts that would be subject to FATCA withholding (referred to as "passthru payments") will also be subject to FATCA withholding, though the definition of "passthru payment" in U.S. Treasury Regulations is currently pending.

The Hong Kong government has announced that Hong Kong will enter into an intergovernmental agreement with the US ("IGA") for the implementation of FATCA, adopting "Model 2" IGA arrangements. Under this "Model 2" IGA arrangements, FFIs in Hong Kong (such as the Trust and the Sub-Funds) would be required to enter into the FFI Agreement with the US IRS, register with the US IRS and comply with the terms of FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments to them.

As an IGA has been reached in substance between Hong Kong and the US, it is expected that FFIs

in Hong Kong (such as the Trust and the Sub-Funds) complying with the FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will not be required to withhold tax on payments to recalcitrant accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the US IRS) or close those recalcitrant accounts (provided that information regarding such recalcitrant account holders is reported to the US IRS), but may be required to withhold tax on payments made to non-compliant FFIs. However, as of the date of this Prospectus, the US and Hong Kong have yet to sign the IGA, and the terms of such IGA may vary from the Model 2 agreement on which the above described expectations are based.

The Trust and each Sub-Fund will endeavour to satisfy the requirements imposed under FATCA and the FFI Agreement to avoid any withholding tax. In the event that the Trust or any Sub-Fund is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Trust or such Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Trust or that Sub-Fund may be adversely affected and the Trust or such Sub-Fund may suffer significant loss as a result.

In the event a Unitholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Trust or the relevant Sub-Fund, or a risk of the Trust or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Trust and each of such relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, (i) reporting the relevant information of such Unitholder to the US IRS; (ii) withholding, deducting from such Unitholder's account, or otherwise collecting any such tax liability from such Unitholder to the extent permitted by applicable laws and regulations; (iii) deeming such Unitholder to have given notice to redeem all his Units in the relevant Sub-Fund; and/or (iv) bringing legal action against such Unitholder for losses suffered by the Trust or the relevant Sub-Fund as a result of such withholding tax. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds. As at the date of this Prospectus, all Units in the investment funds are registered in the name of HKSCC Nominees Limited. It is the Manager's understanding that Hong Kong Securities Clearing Company Limited has completed registration with the IRS as a "Reporting Financial Institution under a Model 2 IGA.

The Sub-Funds have been registered with the IRS as at the date of this Prospectus.

Each Unitholder and prospective investor should consult with his own tax advisor as to the potential impact of FATCA in its own tax situation.

Risk Factors Relating to the PRC Mainland

***PRC Mainland Economic, Political and Social Conditions as well as Government Policies Risk*.** The economy of the PRC mainland, 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, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in the PRC mainland are still owned by the PRC mainland government at various levels, in recent years, the PRC mainland government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of the PRC mainland and a high level of management autonomy. The economy of the PRC mainland has experienced significant growth in the past 20 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 mainland government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 20 years, the PRC mainland government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC mainland. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC mainland government will continue to pursue such

economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC mainland as well as the underlying Securities of the Sub-Funds. Further, the PRC mainland government may from time to time adopt corrective measures to control the growth of the PRC mainland economy which may also have an adverse impact on the capital growth and performance of the Sub-Funds.

Political changes, social instability and adverse diplomatic developments in the PRC mainland could result in the imposition of additional government restrictions affecting the market for PRC Government and Policy Bank Bonds.

***PRC Mainland Laws and Regulations Risk*.** The PRC mainland legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC mainland government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. Two examples are the promulgation of the Contract Law of the PRC mainland to unify the various economic contract laws into a single code, which went into effect on 1 October 1999, and the Securities Law of the PRC mainland, which went into effect on 1 July 1999. However, because these laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC mainland legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

***Restricted Market Risk*.** The Sub-Funds may invest in Securities in respect of which the PRC mainland imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Funds and may affect each Sub-Fund's achievement of its investment objective.

***Legal and Compliance Risk*.** Domestic and/or international laws or regulations may change in a way that adversely affects the Sub-Funds. Differences in laws between jurisdictions (i.e. Hong Kong and the PRC mainland) may make it difficult for the Trustee or Manager to enforce legal agreements entered into in respect of the Sub-Funds. The Trustee and the Manager reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of or restructuring the Sub-Funds.

***Legal System of the PRC Mainland Risk*.** The legal system of the PRC mainland is based on written laws and regulations. Despite the PRC mainland government's effort in improving the commercial laws and regulations, many of these laws and regulations are still at an experimental stage and the implementation of such laws and regulations remains unclear.

Potential Market Volatility Risk. Investors should note that the inter-bank bond market, the Shanghai Stock Exchange and the Shenzhen Stock Exchange in which the PRC Government and Policy Bank Bonds are traded are undergoing development. Market volatility may result in significant fluctuation in the prices of PRC Government and Policy Bank Bonds traded on such markets and thereby changes in the Net Asset Value of the Sub-Funds.

Accounting and Reporting Standards Risk. Accounting, auditing and financial reporting standards and practices applicable to PRC mainland companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Valuation and Accounting Risk. Investors should note that, under IFRS, establishment costs should be expensed as incurred. However for the purpose of calculating of net asset value for

subscription and redemption purposes, establishment costs are to be amortised over a period of five years, which may lead to a different valuation had the accounting been in accordance with IFRS. The Manager has considered the impact of such non-compliance and does not expect this issue to affect the results and the calculation of the Net Asset Value of the Sub-Fund materially. To the extent that the valuation or accounting basis adopted by the Sub-Funds deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation note to reconcile values arrived at by applying the Trust's valuation rules.

Taxation in the PRC Mainland Risk. The PRC mainland government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect a Sub-Fund's return.

PRC Mainland Withholding Taxation Risk. A Sub-Fund that invests in PRC mainland Securities will do so through the Manager's (which is a public Hong Kong tax resident) QFI status. Under the Arrangements between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement"), certain relief is applicable to Hong Kong tax residents. According to the independent professional tax advice, capital gains derived by a Hong Kong tax resident from transfer of debt instrument issued by the PRC mainland government and corporation is eligible for such relief and should not be taxable in Chinese Mainland. The aforesaid capital gain tax exemption will only apply if approval is obtained from the PRC mainland tax authorities. Before a Hong Kong tax resident can enjoy relief under the Arrangement, a Hong Kong Tax Resident Certificate ("HKTRC") issued by the Inland Revenue Department (the "IRD") should be submitted to the relevant PRC mainland tax authority for this purpose. As at the date of this Prospectus, the relevant Sub-Funds have not yet obtained the HKTRC from the IRD. If the PRC mainland tax authorities enforce the collection of Withholding Income Tax ("WIT") on capital gains and require the Sub-Funds to provide a HKTRC in order to obtain the WIT exemption, the Manager will apply for a HKTRC on behalf of the relevant Sub-Fund. In light of the uncertainty on the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, the Manager reserves the right to provide for WIT on such gains or income and withhold the tax for the account of the Sub-Funds. After careful consideration of the Manager's assessment and having taken and considered independent professional tax advice relating to the relevant Sub-Fund's eligibility to benefit from the Arrangement, and in accordance with such advice, the Manager holds a view that the relevant Sub-Fund is a Hong Kong tax resident for the purpose of the Arrangement and should be able to enjoy the WIT exemption on gross capital gains derived from the disposal of PRC mainland Securities under the Arrangement. In this connection, the Manager, having taken and considered the independent professional tax advice and in accordance with such advice, has determined that no WIT provision will be made on the gross realised and unrealised capital gains derived from the disposal of PRC mainland Securities.

It should be noted that there are uncertainties in relation to the Manager's determination of WIT provision, including

(a) The Arrangement may be changed in the future and the relevant Sub-Fund may ultimately be required to pay WIT on capital gains.

(b) As at the date of this Prospectus, the relevant Sub-Funds have not yet obtained the HKTRC from the IRD. If the PRC mainland tax authorities enforce the collection of WIT on capital gains and require the Sub-Funds to provide a HKTRC, the Manager will apply for a HKTRC on behalf of the relevant Sub-Fund. Whether the Manager is able to obtain a HKTRC on behalf of the relevant Sub-Fund is subject to prevailing practice of Hong Kong and/or PRC mainland tax authorities. The relevant Sub-Fund may need to apply with the IRD for a HKTRC on an annual basis, which is subject to the assessment of the IRD. There is a risk that the Manager will not be able to obtain a HKTRC on behalf of the relevant Sub-Fund.

(c) To date, the PRC mainland tax authorities have not sought to enforce WIT collection on capital gains derived by QFIs such as the Manager for the relevant Sub-Fund. If the PRC mainland tax

authorities start to enforce WIT collection on capital gains, the relief under the Arrangement is still subject to the final approval of the relevant PRC mainland tax authorities and the Manager is not aware of any successful cases for tax treaty capital gain exemption approval for QFIs. Even if the Manager, in accordance with the independent professional tax advice, believes that the relevant Sub-Fund should be eligible for such relief, the PRC mainland tax authorities may ultimately hold a different view.

There are also risks and uncertainties associated with the current PRC mainland tax laws, regulations and practice in respect of capital gains realised on its investments in the PRC mainland via Bond Connect. It should also be noted that there is a possibility of the PRC mainland tax rules, regulations and practice being changed and taxes being applied retrospectively. There is a risk that taxes may be levied in future on the relevant Sub-Fund for which no provision is made, which may potentially cause substantial loss to the relevant Sub-Fund.

There is no provision made on the gross unrealised and realised capital gains derived from disposal of PRC mainland Securities. In the event that actual tax is collected by the SAT and the relevant Sub-Fund is required to make payments reflecting tax liabilities for which no provision has been made, the Net Asset Value of the relevant Sub-Fund may be adversely affected as the relevant Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the tax liabilities will only impact Units in issue at the relevant time, and the then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the relevant Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Fund. Please refer to the sub-section of “PRC mainland” under “Taxes” for further information in this regard.

MANAGEMENT OF THE TRUST

The Manager

The Manager is CSOP Asset Management Limited 南方東英資產管理有限公司.

The Manager was established in January 2008 and is licensed to carry on Types 4 (advising on securities) and 9 (asset management) regulated activities under the SFO with CE Number ARN075.

The Manager, a subsidiary of China Southern Fund Management Co. Limited, was the first Hong Kong subsidiary set up by a PRC mainland fund house to carry out asset management and securities advisory activities in Hong Kong.

The Manager is dedicated to serving investors as a gateway for investment between China and the rest of the world. For inbound investment, the Manager boasting local expertise makes the ideal adviser or partner of international investors. For outbound investment, it is keen to introduce suitable overseas investment opportunities to domestic PRC mainland institutional and retail investors. The Manager provides discretionary management services and advisory services to both institutional investors and investment funds.

The Directors of the Manager

The directors of the Manager are Yi Zhou, Li Chen, Xiaosong Yang, Chen Ding and Huachen Zhang.

Yi Zhou

Mr. Zhou holds a degree in Computer Communication from the Nanjing University of Posts and Telecommunications and has 16 years of experience in the securities industry. Mr. Zhou once worked on technology management in the telecommunications center of Jiangsu Posts & Telecommunications Bureau and administrative management at Jiangsu Mobile Communication Co., Ltd. He served as the Chairman of the Board of Directors at Jiangsu Beier Co., Ltd. and Nanjing Xinwang Tech Co., Ltd., and the Deputy General Manager of Shanghai Beier Fortune Communications Company.

Mr. Zhou is the CEO, Chairmen of Executive Committee, and Executive Director of Huatai Securities Co., Ltd., and is appointed as the Chairman of China Southern Asset Management Co., Ltd. in May 2022. Mr. Zhou joined Huatai Securities in August 2006 and served as the President and party secretary of Huatai Securities Co., Ltd. Mr. Zhou, from June 2016 to December 2019, served as the Chairman of the Board of Directors of Huatai Securities Co., Ltd.

Li Chen

Ms. Chen, holder of Master of Laws, has served as Researcher, Assistant General Manager of Security Business Department, Deputy Director of Research Department, Director of Research Department, Assistant Director of the Executive Committee in Huatai Securities. Ms. Chen is currently the Director, Secretary of the Party Committee and Executive Vice President in China Southern Fund Management Company Limited.

Xiaosong Yang

Mr. Yang is the Chief Executive Officer and Director of China Southern Asset Management Co., Ltd where Mr. Yang has overall responsibility for the business. He joined China Southern Asset Management Co., Ltd as the Head of Compliance in 2012.

Prior to joining China Southern Asset Management Co. Ltd., Mr. Yang worked for China Securities Regulatory Commission. Mr. Yang holds a Master's Degree in Economics from Renmin University of China in the PRC mainland.

Chen Ding, MH, JP

Ms. Ding has served as Chief Executive Officer of CSOP Asset Management Limited since joining the company in 2010, overseeing the formulation of the firm's overall business direction and setting strategic priorities. Prior to this role, she was the Assistant CEO, Managing Director at China Southern Asset Management Co., Ltd. from 2003 to 2013, accumulating over 30 years of experience in the asset management industry.

Ms. Ding was awarded the Medal of Honour by the Hong Kong Special Administrative Region Government in 2021 and appointed as a Justice of the Peace in 2024. In 2025, she was appointed by the Hong Kong Special Administrative Region Government as an Independent Non-Executive Director of the Hong Kong Exchanges and Clearing Limited.

Since 2023, Ms. Ding has held the position of Vice Chairperson of the Hong Kong Financial Services Development Council, concurrently serving as Convener of the Mainland Opportunities Committee. Additionally, she transitioned to the position of Permanent Honorary Chairperson of the Chinese Asset Management Association of Hong Kong in 2020, following her tenure as its chairperson. Her current roles also include serving as Executive Board Member of the Treasury Markets Association Council.

Throughout her career, Ms. Ding has held several roles across government advisory bodies, including serving on the government's Task Force on Enhancing Stock market Liquidity, the Securities and Futures Commission's Product Advisory Committee, Process Review Panel, and Securities and Futures Appeals Tribunal, as well as the sub-Committee of Hong Kong Monetary Authority's Financial Infrastructure and Market Development. Additionally, she was a member of The Mandatory Provident Fund Schemes Appeal Board. Her leadership extended to co-chairing the International Business Committee of the Asset Management Association of China and she held leadership positions as Vice Chairperson of the Chinese Securities Association of Hong Kong and as member of the Executive Committee of the Investment Management Association of Singapore.

Huachen Zhang

Mr. Zhang, holder of Master in Business Administration, has served as Assistant Vice President of Huarong International Asset Management Company Limited, and Managing Director of Wealthink AI-Innovation Capital Limited. Mr. Zhang is currently the Co-CEO of GoFintech Innovation Limited.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited which is incorporated with limited liability in Hong Kong on 27 September 1974. It is an indirect wholly-owned subsidiary of HSBC Holdings plc. It is registered as a trust company under Section 78(1) of the Hong Kong Trustee Ordinance (Cap.29) and is an approved trustee under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It is also registered with the Hong Kong Monetary Authority under a statutory guideline to comply with the Supervisory Policy Manual ("SPM") module on "Regulation and Supervision of Trust Business" (TB-1) under section 7(3) of the Banking Ordinance. The Trustee is licensed by the SFC to carry out the Type 13 regulated activity (providing depositary services for relevant collective investment schemes) under the Securities and Futures Ordinance (Cap. 571) and has a Trust or Company Service Provider ("TCSP") License under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong). HSBC Institutional Trust Services (Asia) Limited also acts as the Registrar of the Sub-Funds, and provides services in respect of the establishment and maintenance of the register of the Unitholders.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee, agent or delegate, all or any of the investments, assets or other property comprised in the Trust Fund or any of the sub-funds and may empower any such custodian, nominee, agent or delegate to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian,

nominee, agent, delegate, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and on-going monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Fund(s). The Trustee shall be responsible for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee. For the purpose of the foregoing "Correspondent" shall include the Custodian, the Gold Custodian and the PRC Custodian. The Gold Custodian is the Hongkong and Shanghai Banking Corporation Limited (please see below). As of the date of this Prospectus, the Gold Custodian is a Connected Person of the Trustee The PRC Custodian is HSBC Bank (China) Company Limited (please see below). As of the date of this Prospectus, the PRC Custodian is a Connected Person of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depositary or clearing system which may from time to time be approved by the Trustee and the Manager.

Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or the Sub-Funds.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or the Sub-Funds from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than any liability to Unitholders imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or the Sub-Funds. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of breaches of trust through fraud or negligence on the part of the Trustee or any agent, sub-custodian or delegate appointed by the Trustee for which the Trustee would be liable under the Trust Deed, be liable for any losses, costs or damage to the Trust, the Sub-Funds or any Unitholder.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or the Sub-Funds, which is the sole responsibility of the Manager.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set out in "Fees and expenses payable by the Sub-Fund" in the "Fees and Expenses" section and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or the Sub-Funds and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or the Sub-Funds, and they are not responsible for the preparation or issue of this Prospectus other than the description under "The Trustee and Registrar" in the "Management of the Trust" section.

Where the Sub-Fund(s) invests directly into the PRC mainland's securities markets pursuant to the QFI regime, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the Sub-Fund(s), including onshore PRC assets which will be maintained by the PRC Custodian in electronic form via securities account(s) with the relevant depository(ies) and any assets deposited in a cash account with the PRC Custodian, and holds the same in trust for the relevant Unitholders;

(b) cash and registrable assets of the Sub-Fund(s), including assets deposited in the securities account(s) with the relevant depository(ies) and cash of any Sub-Fund held by the PRC Custodian, are registered in the name of or held to the order of the Trustee; and

(c) the PRC Custodian will look to the Trustee for instructions and solely act in accordance with the Trustee's instructions as provided under the PRC Participation Agreement.

The Investment Advisor (in respect of CSOP FTSE Chinese Government and Policy Bank Bond Index ETF only)

The Manager has appointed ICBC Asset Management (Global) Company Limited (the "Investment Advisor") as its investment advisor of the Sub-Fund pursuant to an investment advisory agreement entered into between the Manager and the Investment Advisor. The Manager has delegated part of its investment management duties including the liquidity considerations of the bonds which the Sub-Fund invests when adopting the representative sampling strategy to the Investment Advisor. The Investment Advisor will exercise investment discretion in respect of the investments in the PRC mainland inter-bank bond market including liquidity arrangements, in pursuit of the investment objective and in accordance with the investment strategy as set out in the Appendix of the Sub-Fund, subject to the control and review of the Manager. The Investment Advisor is independent of the Manager.

ICBC Asset Management (Global) Company Limited is an asset management company incorporated in Hong Kong. It was registered as a licensed corporation by the SFC in Hong Kong to carry out advising on securities (Type 4), advising on futures contracts (Type 5) and asset management (Type 9). The Investment Advisor provides professional investment management and advisory services to unit trusts, institutional clients as well as high net worth private individuals. Directors and senior management of the Investment Advisor are reputable and experienced investment professionals with in-depth international financial market knowledge. The Investment Advisor is a wholly owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited. Industrial and Commercial Bank of China (Asia) Limited is the Hong Kong banking business of Industrial and Commercial Bank of China Limited, the largest commercial bank in the PRC mainland. Industrial and Commercial Bank of China (Asia) Limited is principally engaged in banking, financial and other financial related services with focus on retail banking, commercial banking as well as corporate banking business.

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees of the Investment Advisor out of the Management Fee.

The Investment Advisor (in respect of CSOP FTSE Asia Pacific Select REITs ETF only)

The Manager has appointed Straits Investment Management Pte. Ltd. (the "Investment Advisor") as its investment advisor of the Sub-Fund pursuant to an investment advisory agreement entered into between the Manager and the Investment Advisor. The Investment Advisor shall provide investment advice to the Manager in relation to the Sub-Fund in accordance with the investment strategies of the Sub-Fund as set out in the Appendix of the Sub-Fund, including without limitation investment advice on interest rates and REITs. The Investment Advisor is independent of the Manager. For the avoidance of the doubt, the Investment Advisor does not have any discretionary management powers regarding the Sub-Fund which remain with the Manager.

The Investment Advisor is a licensed fund management company (A/I LFMC) incorporated in Singapore and is regulated by the Monetary Authority of Singapore ("MAS").

The Investment Advisor is focused on managing capital for a diverse range of clients, including

institutional investors, family offices, and ultra-high-net-worth individuals. The Investment Advisor holds the appropriate Capital Markets Services (CMS) Licence issued by MAS for fund management, demonstrating its commitment to regulatory compliance and high standards of investment management. The Investment Advisor offers a broad array of investment strategies, including equities, fixed income, and alternative investments, underpinned by its expertise in global financial markets. The firm is led by a team of experienced directors and senior management, who bring extensive knowledge and a deep understanding of global financial markets and capital markets.

The Investment Advisor is a wholly owned subsidiary of The Straits Trading Company Limited (STC), a diversified conglomerate listed on the Singapore Stock Exchange (SGX), with interests spanning various sectors, including real estate, hospitality, and resources across the Asia Pacific region. STC holds a diversified portfolio of investments, including both strategic stakes and wholly owned assets.

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees to the Investment Advisor out of the Management Fee.

The Custodian and PRC Custodian (applicable to CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, CSOP RMB Money Market ETF and CSOP Huatai-PB CSI A500 ETF only)

The Hongkong and Shanghai Banking Corporation Limited has been appointed to act through its delegate as the Custodian. The Custodian and the PRC Custodian (applicable to CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, CSOP RMB Money Market ETF and CSOP Huatai-PB CSI A500 ETF only) will be responsible for the safe custody of the assets managed by the Manager and (if applicable) acquired in connection with its QFI status within the PRC mainland under the QFI scheme in accordance with the PRC Custody Agreement. According to the PRC Custody Agreement, the Custodian is entitled to utilise its local subsidiary or its associates within the HSBC group of companies, which as at the date of the PRC Custody Agreement is the PRC Custodian (i.e. HSBC Bank (China) Company Limited), as its delegate for the performance of services under the PRC Custody Agreement. The Custodian will act through its delegate (i.e. HSBC Bank (China) Company Limited), the PRC Custodian, and remains responsible for any acts and omission of the PRC Custodian.

Neither the Custodian nor the PRC Custodian is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under the section "The Custodian and the PRC Custodian".

The Gold Custodian and the Sub-Gold Custodians (applicable to CSOP Gold ETF only)

The Gold Custodian, a wholly owned subsidiary of HSBC Holdings plc, is responsible for safekeeping all of CSOP Gold ETF's physical Bullion deposited with it under delegated authority from the Trustee pursuant to the Gold Custody Agreement.

The Trustee empowers the Gold Custodian to appoint or arrange for a sub-custodian, agent or depository to safekeep the Sub-Fund's physical Bullion. Accordingly, the Trustee has appointed the Gold Custodian which has arranged for HKIA Precious Metals Depository Limited and Brink's Hong Kong Limited to safekeep the Sub-Fund's physical Bullion located in Hong Kong.

*HKIA Precious Metals Depository Limited ("**HKIA PMD**")*

HKIA PMD safekeeps the Sub-Fund's physical Bullion located in Hong Kong as a gold depositary ("**Gold Depositary**").

HKIA PMD is a company with limited liability incorporated in Hong Kong. It is a wholly owned subsidiary of Airport Authority Hong Kong ("**AAHK**"), a statutory body corporate established in Hong Kong under the Airport Authority Ordinance (Chapter 483 of the Laws of Hong Kong). AAHK is

wholly owned by the Hong Kong SAR Government. Established in 1995, AAHK is responsible for the operation and development of Hong Kong International Airport. The Hong Kong SAR Government and AAHK both have credit ratings of AA+ from Standard & Poor's.

HKIA PMD is currently designated by HKEx as a recognised depository for gold futures. HKIA PMD has been granted a Type I Security Company License (Provision of security guarding services) by the Security and Guarding Services Industry Authority, a regulatory body established under the Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong) ("**SGSIA**").

The Sub-Fund's physical Bullion will be safekept by HKIA PMD on a fully allocated basis at its dedicated precious metals storage facility located at the Hong Kong International Airport. The facility offers safe-keeping and related services to banks, Bullion dealers, commodity exchanges and refineries, and has been in operation since its official opening on 2 September 2009.

The service arrangement in respect of the Sub-Fund's Bullion is strictly between HKIA PMD and the Gold Custodian only (i.e., HKIA PMD has a contractual relationship with, and owes contractual duties to, the Gold Custodian only but not any other party under such service arrangement). Where the Sub-Fund suffers a loss as a result of loss or damage to Bullion in the custody of HKIA PMD, the Trustee (on behalf of the Sub-Fund) will rely on the Gold Custodian's right of claim against HKIA PMD under the relevant service agreement.

The role of HKIA PMD is limited to the physical custody and safekeeping of the Sub-Fund's Bullion located in Hong Kong. HKIA PMD provides safekeeping services only in respect of the Sub-Fund's Bullion under delegated authority from the Gold Custodian. HKIA PMD assumes no responsibility for the genuineness, fineness, purity, quality, quantity, weight, value or other specifications of, or the ownership of or title to, any Bullion deposited with it.[1] HKIA PMD makes no representations or warranties, express or implied, regarding any Bullion deposited with it. HKIA PMD shall have no obligations with respect to the Sub-Fund, any depository account or Bullion other than those expressly set out in the terms and conditions of the relevant Sub-Gold Custodian service agreement.

*Brink's Hong Kong Limited ("**Brink's HK**")*

Brink's HK, established in 1979 and a wholly owned subsidiary of The Brink's Company, safekeeps the Sub-Fund's Bullion as a Sub-Gold Custodian. With more than 20 years of experience in bullion and precious metal storage in Hong Kong, Brink's HK provides dedicated and segregated bullion vaulting services, as well as local and international transportation, clearance capabilities on precious metals: they offer non-destructive assaying services on precious metals. The Sub-Fund's physical Bullion will be safekept by Brink's Hong Kong Limited on a fully allocated basis at its precious metals storage facility built based on internationally recognised high-security standards. Brink's HK is currently designated by the HKEx as a recognised depository for gold futures.

Brink's HK has been granted a Type I Security Company Licence (Provision of security guarding services) and a Type II Security Company Licence (Provision of armoured transportation services) by the SGSIA.

The service arrangement in respect of the Sub-Fund's Bullion is strictly between Brink's HK and the Gold Custodian only (i.e., Brink's HK has a contractual relationship with, and owes contractual duties to, the Gold Custodian only but not any other party under such service arrangement). Where the Sub-Fund suffers a loss as a result of loss or damage to Bullion in the custody of Brink's HK, the Trustee (on behalf of the Sub-Fund) will rely on the Gold Custodian's right of claim against

[1] For CSOP Gold ETF, the Gold Dealer(s) will ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

Brink's HK under the relevant service agreement.

The role of Brink's HK is limited to the physical custody and safekeeping of the Sub-Fund's Bullion located in Hong Kong and the transportation of such Bullion between Designated Vaults. Brink's HK provides safekeeping and transportation services only in respect of the Sub-Fund's Bullion under delegated authority from the Gold Custodian. Brink's HK will not ascertain nor will it be responsible or liable for the authenticity or correctness of markings on, or assay characteristics, or the weight, contents, composition or fineness of any Bullion deposited with it[1]. Brink's HK makes no representations or warranties, express or implied, regarding any Bullion deposited with it. Brink's HK shall have no obligations with respect to the Sub-Fund, any depository account or Bullion other than those expressly set out in the terms and conditions of the relevant Sub-Gold Custodian service agreement.

The Gold Custodian may, with the prior written consent in writing of the Trustee, from time to time arrange for additional Sub-Gold Custodian(s), which have complied with all the applicable regulatory requirements, to safekeep physical Bullion for CSOP Gold ETF.

Any replacement or substitute Gold Custodian in respect of the Sub-Fund shall be as agreed by the Trustee and the Manager and have complied with all the relevant regulatory requirements (if applicable). Subject to the terms of the Gold Custody Agreement, the Gold Custodian shall not cease to act as a gold custodian unless a new custodian has been appointed.

The Service Agent (applicable in respect of Listed Class of Units only)

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealers, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class of Units in a Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed Deloitte Touche Tohmatsu to act as the auditor of the Trust and the Sub-Funds (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer (applicable in respect of Listed Class of Units only)

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications of the Listed Class of Units in the Sub-Fund. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at http://www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Gold Dealers (applicable to CSOP Gold ETF only)

Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited and Heraeus Metals Hong Kong Limited presently act as the providers of Bullion of minimum standard, acceptable to the Sub-Fund, to Participating Dealers for Creation Applications. The Manager has entered the Gold Dealer agreements with each Gold Dealer in respect of its role.

Standard Chartered Bank was incorporated in England with limited liability by Royal Charter on 29 December 1853 (under reference number ZC18). It commenced business in Hong Kong in 1859. Standard Chartered Bank's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly owned subsidiary of Standard Chartered PLC, non-cumulative irredeemable preference

shares of U.S.$0.01 each, all of which are owned by Standard Chartered Holdings Limited, and non-cumulative redeemable preference shares of U.S.$5.00 each, all of which are owned by Standard Chartered PLC. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Standard Chartered Bank's long-term debt ratings from Standard & Poor's and Fitch and senior unsecured rating from Moody's Investor Services are currently A+, A+ and A1 respectively. Standard Chartered PLC is a public limited company and the ultimate holding company of Standard Chartered Bank and was incorporated and registered in England and Wales on 18 November 1969 as a private limited company, with registered number 966425. Its ordinary shares and preference shares are listed on the Official List and traded on the London Stock Exchange. Standard Chartered PLC's ordinary shares are also listed on the Hong Kong Stock Exchange. Standard Chartered Bank is a member of the LBMA. Standard Chartered Bank (Hong Kong) Limited is 100% owned by Standard Chartered PLC. The latest audited accounts of Standard Chartered PLC are available at and may be downloaded from https://www.sc.com/en/ (this website has not been reviewed by the SFC).

The Hongkong and Shanghai Banking Corporation Limited is a member of the HSBC Group, which is a global leader in precious metals with over 150 years of experience. It offers clients a full suite of physical, trading, banking, custody and clearing business. Over the years it has established strong relationships with global refineries and producers. It has a dedicated shipping team which works closely with approved logistics companies to move physical metals to various locations as and when needed. It is one of the largest suppliers of physical gold into China and a leading supplier of gold and silver into India. The Hongkong and Shanghai Banking Corporation Limited currently has a credit rating of AA- (Standard & Poor's) and Aa3 (Moody's Investor Services). The latest annual report of The Hongkong and Shanghai Banking Corporation Limited is available at and may be downloaded from https://www.hsbc.com/investors/results-and-announcements (this website has not been reviewed by the SFC).

Heraeus Metals Hong Kong Limited is a company incorporated in Hong Kong with limited liability. It is an approved Shanghai Gold Exchange International Member B in Shanghai free-trade zone. It has engaged in precious metal trading since 1974. Heraeus Metals Hong Kong Limited is a wholly owned subsidiary of Heraeus Limited, which is a company incorporated in Hong Kong with limited liability and a member of Chinese Gold & Silver Exchange Society, LBMA and London Platinum & Palladium Market accredited refinery and certified member of Responsible Jewellery Council. Heraeus Limited is a wholly-owned subsidiary of Heraeus Holding GmbH, a company incorporated in Germany. Heraeus Holding GmbH had a credit rating of BBB+ (Standard & Poor's) as of 23 August 2017 and Baa1 (Moody's Investor Services) as of 7 June 2018. The latest annual report of Heraeus Holding GmbH is available at and may be downloaded from https://www.heraeus.com (this website has not been reviewed by the SFC).

Under the respective Gold Dealer agreements with the Gold Dealers, the Manager (acting on behalf of CSOP Gold ETF) has the right to be indemnified by the respective Gold Dealers.

The Market Maker (applicable in respect of Listed Class of Units only)

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Listed Class of Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Listed Class of Units on the SEHK. Market Makers facilitate the efficient trading of Listed Class of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager will use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Listed Class of Units

in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of each Sub-Fund to facilitate the efficient trading of Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of each Sub-Fund will give not less than 3 months' notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at http://www.hkex.com.hk and http://www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the sub-section headed "Website Information" for the warning and the disclaimer regarding information contained in such website.

Conflicts of Interest

The Manager, the Investment Advisor (as applicable), the Trustee, the custodian or depositary (including the Custodian, the PRC Custodian, the Gold Custodian and the Gold Dealer (as applicable)) may from time to time act as trustee, administrator, registrar, secretary, manager, custodian, investment manager or investment adviser or perform other functions in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Sub-Funds.

In addition:-

(a) the Manager, the Investment Advisor (as applicable), the custodian or depositary (including the Custodian and the Gold Custodian (as applicable))or any of its Connected Persons may, with the consent of the Trustee, deal with the Trust as principal;

(b) the Trustee, the Manager, the Investment Advisor (as applicable), the custodian or depositary (including the Custodian and the Gold Custodian (as applicable)) or the Registrar or any of their Connected Persons may have banking or other financial relationships with any company or party which is the issuer of Securities, financial instruments or investment products held by the Trust;

(c) the Trustee, the Manager, the Investment Advisor (as applicable), the custodian or depositary (including the Custodian and the Gold Custodian (as applicable)) or the Registrar or any of their Connected Persons may hold and deal in Units or in investments held by the Trust either for their own account or for the account of their customers; and

(d) the monies of the Trust may be deposited with the Manager, the Investment Advisor (as applicable), the Trustee, the custodian or depositary (including the Custodian and the Gold Custodian (as applicable)) or any of their Connected Persons or invested in certificates of deposit or banking instruments issued by any of them.

The Trustee, the Manager, the Investment Advisor (as applicable), the custodian or depositary (including the Custodian and the Gold Custodian (as applicable)) or the Registrar or their Connected Persons may, in the course of business, and in providing services to the Trust, have potential conflicts of interest with the Trust and the Sub-Funds. Each will, at all times, have regard to its obligations to the Trust and to Unitholders and will endeavour to ensure that any such conflicts are resolved fairly.

The services of the Trustee and the custodian or depository (including the Custodian, the Gold Custodian, the Sub-Gold Custodian(s) and the PRC Custodian) provided to the Trust and each Sub-Fund are not deemed to be exclusive and the Trustee, the Gold Custodian and the Sub-Gold Custodian(s) shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other monies payable thereby and the Trustee and the custodian or depositary (including the Custodian, the Gold Custodian, the Sub-Gold Custodian(s) and the PRC Custodian) shall not be deemed to be affected with notice of or to be under any duty to disclose to each Sub-Fund any fact or thing which comes to the notice of the Trustee and the custodian or depositary (including the Custodian, the Gold Custodian, the Sub-Gold Custodian(s) and the PRC Custodian) in the course of the Trustee

rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may arise due to the widespread business operations of the Trustee, the Manager, the Investment Advisor (as applicable),the custodian or depositary (including the Custodian, the Gold Custodian, the Sub-Gold Custodian(s) and the PRC Custodian (as applicable)), the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed and applicable laws and regulations, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Trust (or the Sub-Fund) will be on arm's length terms in the best interest of the Unitholders and in compliance with applicable laws and regulations.

Soft Dollars

The Manager (as well as any of its Connected Persons) will not receive or enter into any soft dollar commissions or arrangements in respect of the management of the Sub-Funds. The Manager (as well any of its Connected Persons) will not retain any cash rebates from any broker or dealer.

STATUTORY AND GENERAL INFORMATION

Financial Reports

The financial year-end of the Trust (and each Sub-Fund) is 31 December every year. Audited financial reports are to be prepared (according to IFRS) and published on the Manager's website within 4 months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to the last Dealing Day in June of each year and published on the Manager's website within 2 months of such date. Once these financial reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

The annual financial reports and half-yearly financial reports will be available in English only. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The financial reports provide details of the assets of each of the Sub-Funds and the Manager's statement on transactions during the period under review (including a list of any constituent Securities of the relevant Index, if any, that each accounts for more than 10% of the weighting of the relevant Index as at the end of the relevant period and their respective weighting showing any limits adopted by the Sub-Fund have been complied with). The financial reports shall also provide a comparison of each Sub-Fund's performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each of the Sub-Funds were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of each of the Sub-Funds. Nothing in any of the provisions of the Trust Deed shall (i) exempt either the Trustee or the Manager (as the case may be) from or against any liability to Unitholders for breach of trust through fraud or negligence or any liability to Unitholders which by virtue of any Hong Kong rule of law or any other rule of law would otherwise attach to them in respect of any negligence, fraud or breach of trust of which they may be liable in relation to their duties nor (ii) indemnify either against such liability by Unitholders or at Unitholders' expense.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such proposed modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of each of the Sub-Funds; (ii) is necessary in order to make possible compliance with any fiscal, regulatory, statutory or official requirement (whether or not having the force of law); or (iii) is made to correct a manifest error. In all other cases, modifications, alterations and additions involving material changes require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must, where applicable, also give its prior approval to such amendments to the Trust Deed.

The Manager will notify affected Unitholders of the amendments as soon as practicable in advance of such amendments having effect or after they are made if such notification is required under the Code.

Name of the Trust and Sub-Fund

Under the Trust Deed the Manager may, on notice to the Trustee, change the name of the Trust and the Sub-Funds.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a poll.

Voting rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in the relevant Class or the relevant Sub-Fund then in issue, on not less than 21 days' notice. Notice of meetings will be posted to Unitholders and posted on the Manager's website at http://www.csopasset.com and (in respect of notices relating to Listed Class of Units) HKEX's website at www.hkex.com.hk (the contents of which have not been reviewed by the SFC).

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating the Sub-Fund at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in the relevant Class or the relevant Sub-Fund then in issue and passed by 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in the relevant Class or the relevant Sub-Fund then in issue and passed by a simple majority (i.e. more than 50%) of the votes cast.

The Trust Deed contains provisions for the holding of separate meetings of Unitholders holding Units of different classes where only the interests of Unitholders of such class are affected.

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over any of its assets and not discharged within 60 days; (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily; (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders; (iv) a law is passed that renders it illegal, or in the opinion of the Trustee or the Manager, impracticable or inadvisable to continue the Trust; (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated by the Trustee shall fail to be approved by extraordinary resolution; or (vi) 60 days after the Trustee notifies the Manager of its intention to retire, no new person willing to act as trustee has been identified; or (vii) the Manager is unable to implement its investment strategy in respect of the Sub-Fund, for example including (in respect of CSOP Gold ETF only) (a) where the Gold Custody Agreement is terminated and the Gold Custodian ceases to act as a gold

custodian, no replacement gold custodian acceptable to the SFC is appointed upon such cessation, or (b) where the Gold Custodian ceases to be able to provide custody services in respect of the Sub-Fund, no replacement provider of a secure vault is found which is acceptable to both the Manager and the Trustee.

The Manager may terminate the Trust if: (i) after 1 year from the date of the Trust Deed, the aggregate Net Asset Value of all the units in each Sub-Fund of the Trust outstanding hereunder in respect of such Sub-Fund or any class of Units of such Sub-Fund is less than RMB150 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after 1 year from the date of establishment of the relevant Sub-Fund, the aggregate Net Asset Value of all the Units is less than RMB150 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue the relevant Sub-Fund and/or the relevant class of Units; (iii) if the underlying Index (in respect of an Index Tracking Sub-Fund) is no longer available for benchmarking or if the Units of the relevant Sub-Fund are no longer listed on the SEHK (in respect of the relevant Sub-Fund with only Listed Class of Units in issue) or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Sub-Fund ceases to have any Participating Dealer (in respect of the relevant Sub-Fund with only Listed Class of Units in issue); or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Fund by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or has done something calculated to bring the relevant Sub-Fund into disrepute or that is harmful to the interests of Unitholders of the relevant Sub-Fund; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund.

Notice of the termination of the Trust or the relevant Sub-Fund will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the relevant Sub-Fund and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of twelve calendar months from the date upon which the same became payable be paid into court.

Investors should note that, due to the nature of the listing of the Listed Class of Units on the SEHK, the termination procedures applicable to Listed Class of Units and Unlisted Class of Units of the same Sub-Fund may differ. In the event of termination of the Trust, a Sub-Fund or a particular class of Units, Unitholders will be notified of the relevant termination procedures applicable to its holding of the relevant class of Units.

Distribution policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on dividend payments on Securities held by the

relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities.

Where specified in the relevant Appendix, the Manager may at its discretion make distributions (i) out of capital or (ii) out of gross income while all or part of the fees and expenses of the relevant Sub-Fund are charged to/paid out of the capital of a Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the relevant Sub-Fund and therefore, the relevant Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the capital of the relevant Sub-Fund may result in an immediate reduction of the Net Asset Value per Unit.

There can be no assurance that such entities will declare or pay dividends or distributions.

Documents available for Inspection

Copies of the constitutive documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee.

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders of Listed Class of Units are not obliged to disclose their interest in the Sub-Fund.

Anti-money laundering regulations

As part of the Manager's, the Trustee's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, the Sub-Funds or the relevant Participating Dealer is subject, the Manager, the Registrar, the Trustee or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required where:

(a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or

(b) the application is made through a recognised intermediary.

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations.

Liquidity risk management

The Manager has established a proper liquidity management policy, which enables it to identify, monitor and manage the liquidity risks of a Sub-Fund and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of the Sub-Funds. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by a Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy, and

will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Sub-Funds under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may limit the number of Units of a Sub-Fund redeemed on any Dealing Day to Units representing 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund and as permitted by the SFC) of the total number of Units in the Sub-Fund then in issue (subject to the conditions under the section headed "Deferred Redemption" in Schedule 1 and "Restrictions on Redemption" in Schedule 2)

Index licence agreements

Please refer to the relevant Appendix for details in respect of each Index.

Material changes to an underlying Index

The SFC should be consulted on any events that may affect the acceptability of an underlying Index (in respect of an Index Tracking Sub-Fund). Significant events relating to an underlying Index will be notified to the Unitholders of the relevant Sub-Fund as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the underlying Index, or a change in the objective or characteristics of the Index.

Replacement of an underlying Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders of the relevant Sub-Fund would not be adversely affected, to replace the underlying Index (in respect of an Index Tracking Sub-Fund). The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the relevant underlying Index ceasing to exist;

(b) the licence to use the underlying Index being terminated;

(c) a new index becoming available that supersedes the existing underlying Index;

(d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing underlying Index;

(e) investing in the Securities comprised within the underlying Index becomes difficult;

(f) the Index Provider increasing its licence fees to a level considered too high by the Manager;

(g) the quality (including accuracy and availability of the data) of the underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the underlying Index rendering that index unacceptable in the opinion of the Manager; and

(i) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of a Sub-Fund if the relevant Index changes or for any other reasons. Any change to (i) the use by the relevant Sub-Fund of the underlying Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including in respect of the relevant Index), both in the English and in the Chinese languages, on the Manager's website at http://www.csopasset.com (the contents of which have not been reviewed by the SFC) and (where applicable in respect of the Listed Class of Units) on HKEX's website at www.hkex.com.hk including:

(a) this Prospectus and the product key facts statement(s) in respect of each Sub-Fund (as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class of Units and Unlisted Class of Units, a separate set of product key facts statement will be available for each of the Listed Class of Units and Unlisted Class of Units of the same Sub-Fund;

(b) the latest annual financial reports and half-yearly unaudited financial reports (in English only);

(c) any notices for material alterations or additions to this Prospectus, the product key facts statement(s) in respect of each Sub-Fund or the Sub-Fund's constitutive documents;

(d) any public announcements made by any Sub-Fund, including information with regard to any Sub-Fund and (in respect of an Index Tracking Fund) its Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees, the suspension and resumption of the issue, creations and redemptions of Unlisted Class of Units and Listed Class of Units in the primary market and notices relating to material changes to any Sub-Fund that may have an impact on its investors;

(e) (in respect of Listed Class of Units only) the near real time indicative Net Asset Value per Unit updated every 15 seconds throughout each Dealing Day in the relevant trading currency (or if there is a Dual Counter, in both trading currencies) of the Sub-Fund;

(f) (in respect of Listed Class of Units only) the last Net Asset Value of each Sub-Fund in the base currency of the Sub-Fund only, as well as the last Net Asset Value per Unit of the Sub-Fund in the base currency and the relevant trading currency (or if there is a Dual Counter, in both trading currencies) of the Sub-Fund;

(g) (in respect of Unlisted Class of Units) the last Net Asset Value per Unit of each Unlisted Class of Units in issue;

(h) the composition of each Sub-Fund (updated on a daily basis unless otherwise specified in the relevant Appendix);

(i) (in respect of Listed Class of Units only) the latest list of the Participating Dealers and Market Makers for each Sub-Fund;

(j) the composition of dividends for each relevant Sub-Fund (i.e. the relative amounts paid and the percentages of dividends paid out of (i) net distributable income, and (ii) capital) (if any), for the last 12 months; and

(k) the past performance information of each Sub-Fund (as applicable).

In respect of the ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (e) above, and the last Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (f) above, are indicative and for reference only. The near real time indicative Net Asset Value per Unit in HKD are updated during SEHK trading hours. The near real time indicative Net Asset Value per unit in HKD uses a real time HKD:RMB foreign exchange rate– it is calculated using the near real time indicative Net Asset Value per Unit in RMB multiplied by a real time HKD:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in RMB will not be updated when the inter-bank bond market is closed, the change to the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of the Listed class of Units only) the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in RMB multiplied by assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m.

(Hong Kong time) on that Dealing Day.

In respect of the CSOP RMB Money Market ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (e) above, and the last Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (f) above, are indicative and for reference only. The near real time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. The near real time indicative Net Asset Value per unit in HKD uses a real time HKD:RMB foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in RMB multiplied by a real time HKD:CNH foreign exchange rate sourced by Solactive AG when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in RMB will not be updated when the inter-bank bond market, Shanghai Stock Exchange or Shenzhen Stock Exchange is closed, the change to the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of the Listed Class of Units only) the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in RMB multiplied by assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) on that Dealing Day.

In respect of the CSOP FTSE US Treasury 20+ Years Index ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (e) above, and the last Net Asset Value per Unit in respect of the Listed Class of Units in HKD, under (f) above, are indicative and for reference only. The near real time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. The near real time indicative Net Asset Value per unit in HKD uses a real time HKD:USD foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in USD multiplied by a real time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in USD will not be updated when the underlying market is closed, any change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of the Listed Class of Units only) the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by assumed foreign exchange rate using the USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) on that Dealing Day.

In respect of the CSOP FTSE Asia Pacific Select REITs ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit of the Sub-Fund in HKD, under (e) above, and the last Net Asset Value per Unit of the Sub-Fund in HKD, under (f) above, are indicative and for reference only. The near real time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. The near real time indicative Net Asset Value per unit in HKD uses a real time HKD:USD foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in USD multiplied by a real time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in USD will not be updated when the underlying market is closed, any change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of the Listed Class of Units only) the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by assumed foreign exchange rate using the USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) on that Dealing Day.

In respect of the CSOP Huatai-PB CSI A500 ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit of the Sub-Fund in HKD, under (e) above, and the last Net Asset Value per Unit of the Sub-Fund in HKD, under (f) above, are indicative and for reference only. The near real time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. The near real time indicative Net Asset Value per unit in HKD uses a real time HKD:CNH foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in RMB multiplied by a real time HKD:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying market is closed, any change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of the Listed Class of Units only) the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in RMB multiplied by assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) on that Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per Unit in HKD will not be updated when the underlying market is closed.

Real-time updates about the Index can be obtained through other financial data vendors. It is your own responsibility to obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this Prospectus, has been reviewed by the SFC). Please refer to the sub-section headed "Website Information" for the warning and the disclaimer regarding information contained in such website.

Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

Manager

CSOP Asset Management Limited
南方東英資產管理有限公司
2801-2803, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road
Central
Hong Kong

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website http://www.csopasset.com. The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

Queries and Complaints

Investors may contact the complaint officer of the Manager if they have any complaints or enquiries in respect of the Trust or the Sub-Fund:

Address: 2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

Manager's Customer Service Hotline: +852 3406 5688

Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Manager directly, or referred to the relevant parties for further handling. The Manager will revert and address the investor's complaints and enquiries as soon as possible. The contact details of the Manager are set out in the paragraph above.

Certification for Compliance with FATCA or Other Applicable Laws

Each Unitholder (i) will be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Trust or the Sub-Funds (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Trust or the Sub-Funds receive payments and/or (b) to satisfy reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Tax Authorities

Subject to applicable laws and regulations in Hong Kong, the Trust, the Sub-Funds, the Trustee or the Manager or any of their authorised person(s) (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, to enable the Trust or the Sub-Funds to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA).

TAXATION

The following summary of Hong Kong and the PRC mainland taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong, the PRC mainland and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong and the PRC mainland at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus.

Hong Kong

The Sub-Funds

Profits Tax: As the Trust and the Sub-Funds have been authorised as collective investment schemes by the SFC pursuant to Section 104 of the SFO, profits of the Sub-Funds arising from the sale or disposal of Securities, net investment income received by or accruing to the Sub-Funds and other profits of the Sub-Funds are exempt from Hong Kong profits tax.

Other Taxes: Notwithstanding that profits or income of the Sub-Funds are exempt from Hong Kong profits tax, the Sub-Funds may be subject to tax in certain jurisdictions where investments are made on income or capital gains derived.

Stamp Duty:

Hong Kong stamp duty in respect of Listed Class of Units

Hong Kong stamp duty payable on the delivery of Hong Kong stocks by an investor to the Sub-Funds as consideration for an allotment of Units, or by the Sub-Funds to an investor upon redemption of such Units will be remitted, subject to application, under Section 52 of the Stamp Duty Ordinance. Hong Kong stamp duty in respect of any transfer in the shares or units of an exchange traded fund on the SEHK is not payable. Accordingly, transfers of the Listed Class of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Hong Kong stamp duty in respect of Unlisted Class of Units

No Hong Kong stamp duty should be payable where the sale or transfer of such Units is effected by selling the relevant Units back to the Manager, who then either extinguish the Units or re-sells the Units to another person within two months thereof. Other types of sales or purchases or transfer of Unlisted Class of Units by the Unitholders in a Sub-Fund should be liable to Hong Kong stamp duty of 0.1% borne by each of the buyer and seller, of the higher of the consideration amount or market value.

The Unitholders

Profits Tax: Hong Kong profits tax will be imposed on Unitholders carrying on a trade, profession or business in Hong Kong on any gains or profits made on the sale, redemption or other disposal of the Units that are of revenue nature.

Distributions received by Unitholders from their investments in the Units would generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise).

Stamp Duty: For a transfer executed for a transaction by which a Unit of a Sub-Fund is transferred, stamp duty is waived with effect from 13 February 2015 pursuant to the Stamp Duty (Amendment) Ordinance 2015.

Hong Kong requirements regarding tax reporting

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FIs") in Hong Kong to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the Hong Kong Inland Revenue Department ("IRD") for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement ("CAA") in force; however, the Trust and/or its agents may further collect information relating to residents of other jurisdictions.

The Trust is a collective investment scheme within the definition set out in the SFO that is resident in Hong Kong, and is accordingly an investment entity with obligations to report as a financial institution in accordance with the Ordinance. This means that the Trust and/or its agents shall collect and provide to the Hong Kong Inland Revenue Department ("IRD") the required tax information relating to Unitholders and prospective investors.

The Ordinance as implemented by Hong Kong requires the Trust to, amongst other things: (i) register the Trust as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the required information reported to it to the government authorities of the jurisdictions with which Hong Kong has a CAA in force. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has a CAA in force; and (ii) certain entities controlled by individuals who are tax resident in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, place of birth, address, tax residence, tax identification number (if any), account number, account balance/ value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions.

By investing in the Sub-Funds and/or continuing to invest in the Sub-Funds, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Manager and/or the Trust's agents in order for the Trust to comply with the Ordinance. The Unitholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities), may be transmitted by the IRD to authorities in other jurisdictions. The failure of a Unitholder to provide any requested information may result in the Trust, the Manager and/or other agents of the Trust taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Funds.

PRC mainland

By investing in debt instruments issued by the PRC mainland resident companies and PRC mainland government, irrespective of whether such securities are issued or distributed onshore ("onshore PRC securities") or offshore ("offshore PRC securities", and together with onshore PRC securities, the "PRC mainland Securities"), the Sub-Funds may be subject to PRC mainland taxes.

Corporate Income Tax ("CIT")

If the Trust or the Sub-Funds are considered as a tax resident enterprise of the PRC mainland, it will be subject to PRC mainland CIT at 25% on its worldwide taxable income. If the Trust or the Sub-Funds are considered as a non-tax resident enterprise with an establishment or place of business ("E&P") in the PRC mainland, the profits and gains attributable to that E&P would be subject to CIT at 25%. Non-resident enterprises without any E&P in the PRC mainland are subject to PRC mainland Withholding Income Tax ("WIT") generally at a rate of 10% to the extent it directly derives the PRC mainland-sourced passive income, unless any specific exemption or reduction is available under current PRC mainland tax laws and regulations or relevant tax treaties.

The Manager and the Trustee intend to manage and operate the Trust and each Sub-Fund in such a manner that the Trust and each Sub-Fund should not be treated as tax resident enterprises of the PRC mainland or non-tax resident enterprises with an E&P in the PRC mainland for CIT purposes, although this cannot be guaranteed.

Interest income

Unless a specific exemption or reduction is available under current PRC mainland tax laws and regulations or relevant tax treaties, non-tax resident enterprises without an E&P in the PRC mainland are subject to WIT, generally at a rate of 10%, on the payment of interests on debt instruments issued by PRC mainland tax residents. Under the PRC mainland CIT Law, interests derived from government bonds issued by the in-charge Finance Bureau of the State Council (which include the PRC Treasury Bonds) are exempt from PRC mainland CIT. The Manager intends to make relevant provision on interest from PRC mainland Securities if the CIT is not withheld at source at the time when such income is received.

The Ministry of Finance ("MOF") and the State Administration of Taxation ("SAT") jointly issued Circular Caishui [2018] No. 108 ("Circular 108") on 22 November 2018, which stipulates that QFIIs and RQFIIs are exempt from CIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC mainland bond market. As the CIT exemption granted under Circular 108 is temporary, it is uncertain whether such CIT exemption policy would be extended after 6 November 2021.

Under current regulations in the PRC mainland, foreign investors (such as the Trust and the Sub-Funds) may invest in onshore PRC mainland securities, generally, only through a QFI. Since only the QFI's interests in onshore PRC mainland securities are recognised under PRC mainland laws, any tax liability would, if it arises, be payable by the QFI. However under the terms of the arrangement between the QFI and the Trust, the QFI will pass on any tax liability to the Trust for the account of the Sub-Funds. As such, the Trust is the ultimate party which bears the risks relating to any PRC mainland taxes which are so levied by the relevant PRC mainland tax authority.

Under the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement"), if a Hong Kong tax resident derives interest income from the PRC mainland, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the Arrangement, subject to the approval of the PRC mainland tax authorities. However, there are still uncertainties as to how the PRC mainland tax authorities will assess the beneficial ownership issue for investment fund cases, it is uncertain whether the Sub-Funds can obtain approval from the tax authorities for this preferential rate. If the relevant approval is not obtained, the general rate of 10% will be applicable to the Sub-Funds.

Dividend income

Dividends derived from holding PRC mainland Securities by a non-tax resident recipient from PRC mainland tax residents are subject to the PRC mainland WIT and the general WIT rate applicable is 10%.

Capital gains

There are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors on the disposal of bonds or fixed income securities. As mentioned above, the temporary exemption granted under Circular 79 applies to equity investment only, and Circular 79 is silent on whether the exemption is also applicable to non-equity investment such as PRC mainland debt securities and other investments.

Based on the current verbal interpretation of the SAT and the local PRC mainland tax authorities, debt or fixed income securities can be regarded as movable properties, and capital gains derived by foreign investors from investment in PRC mainland debt or fixed income securities via QFIs should not be treated as PRC mainland-sourced income and thus not subject to PRC mainland WIT. However, there are no written tax regulations issued by the PRC mainland tax authorities to

explicitly clarify such treatment.

A Sub-Fund that invests in PRC mainland Securities will do so through the Manager's (which is a public Hong Kong tax resident) QFI status. Under the Arrangement, certain relief is applicable to Hong Kong tax residents. Having taken and considered independent professional advice relating to the applicability and the interpretation of the Arrangement and in accordance with such advice, the Manager considered that capital gains derived by a Hong Kong tax resident from transfer of debt instrument issued by the PRC mainland government and corporation should not be taxable in the PRC mainland. The aforesaid capital gain tax exemption will only apply if approval is obtained from the PRC mainland tax authorities. Before a Hong Kong tax resident can enjoy relief under the Arrangement, a Hong Kong Tax Resident Certificate ("HKTRC") issued by the Inland Revenue Department ("IRD") should be submitted to the relevant PRC mainland tax authority for this purpose. As at the date of this Prospectus, the Sub-Funds have not yet to obtain the HKTRC from the IRD. If the PRC mainland tax authorities enforce the collection of WIT on capital gains and require the Sub-Funds to provide a HKTRC in order to obtain the WIT exemption, the Manager will apply for a HKTRC on behalf of the Sub-Funds.

As a matter of practice, the collection of such 10% PRC mainland WIT on capital gains realised by non-PRC mainland resident enterprises from the trading of PRC mainland debt or fixed income securities has not been strictly enforced by the PRC mainland tax authorities. It should be noted that there is a possibility of the PRC mainland tax rules being changed and taxes being applied retrospectively. There are also risks and uncertainties associated with the current PRC mainland tax laws, regulations and practice. There is a risk that taxes may be levied in future on the relevant Sub-Fund for which no provision is made, which may potentially cause substantial loss to the relevant Sub-Fund.

There is no provision made on the gross unrealised and realised capital gains derived from disposal of PRC mainland Securities. In the event that actual tax is collected by the SAT and the Sub-Funds are required to make payments reflecting tax liabilities for which no provision has been made, the Net Asset Value of the Sub-Funds may be adversely affected, as the Sub-Funds will ultimately have to bear the full amount of tax liabilities. In this case, the tax liabilities will only impact Units in issue at the relevant time, and the then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the Sub-Funds, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Funds.

Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

Value-Added Tax ("VAT") and Other Surtaxes

With the Circular Caishui [2016] No. 36 ("Circular 36") regarding the final stage of VAT reform which came into effect on 1 May 2016, interests and gains derived from the trading of PRC mainland marketable debt securities will be subject to VAT starting from 1 May 2016.

Interest income

Pursuant to Circular 36, interest income received by foreign investors (including QFIIs and RFQIIs) from non-government bonds issued by PRC mainland tax resident enterprises should technically be subject to 6% VAT. Deposit interest income and interests received from government bonds and local government bonds shall be exempt from VAT.

Circular 108 stipulates that foreign institutional investors are temporarily exempt from VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC mainland bond market. As the VAT exemption granted under Circular 108 is temporary, it is uncertain whether such VAT exemption policy would be extended after 6 November 2021.

The Manager has made a provision for bond interest income (except for government bonds and local government bonds) received by the Sub-Funds prior to 7 November 2018 in an amount equal

to the total of (i) for VAT, 6% of such bond interest; plus (ii) for the potential other surtaxes on VAT, 12% of the VAT amount stated above. In other words, the provision is equal to 6.72% of the bond interest (except for government bonds and local government bonds) received by the Sub-Funds prior to 7 November 2018.

On the basis of Circular 108, the Manager will not make any provision in respect of VAT and other surtaxes on VAT for bond interest income received from 7 November 2018 to 6 November 2021 on behalf of the Sub-Funds.

Dividend income

Dividend income or profit distributions on equity investment derived from the PRC mainland are not included in the taxable scope of VAT.

Capital gains

According to Circular 36 and Circular Caishui [2016] No. 70, capital gains derived by QFIIs and RQFIIs on trading of marketable securities are exempt from VAT. Therefore, to the extent that the Sub-Funds' investments (such as debt instruments) are conducted through these channels, the capital gains should be exempt from VAT.

The MOF and SAT have not issued specific taxation rules on the Bond Connect. In the absence of specific taxation rule / guidance by the PRC mainland tax authorities on the tax treatment of gains from trading in PRC mainland inter-bank bond market by foreign institutional investors through the Bond Connect, applicable tax treatments under the existing PRC mainland domestic tax laws and regulations should apply. Nevertheless, in practice, the PRC mainland tax authorities have generally not actively enforced the collection of VAT on gains derived by non-PRC mainland tax resident enterprises from the disposal of Chinese bonds through the Bond Connect.

If VAT is applicable, there are also other surtaxes (such as Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

In light of the above-mentioned uncertainty, after careful consideration of the Manager's assessment and having taken and considered independent professional tax advice, the Sub-Funds do not currently make provision on the gross realised and unrealised capital gains derived from the disposal of Treasury Bonds and Policy Bank Bonds, but the Manager reserves the right to provide for WIT and VAT on gross realised and unrealised capital gains derived from investments in Treasury Bonds and Policy Bank Bonds, where applicable, in order to meet potential WIT and VAT tax liability on income derived from investments in Treasury Bonds and Policy Bank Bonds.

Upon any future resolution of the above-mentioned uncertainty or further changes to the tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision (if any) as they consider necessary. The amount of any such tax provision will be disclosed in the accounts of the Sub-Funds.

Any provision for WIT / VAT, where applicable, may reduce the income from, and/or adversely affect the performance of, the Sub-Funds. The amount of tax provided for the account of the Sub-Funds will not be released until the position with regard to PRC mainland taxation of the Sub-Funds in respect of its income from its investment in PRC mainland inter-bank bond market has been clarified. In the event that such position is clarified to the advantage of the Sub-Funds, the Manager may release the tax provision. The amount so released shall be retained by the Sub-Funds and reflected in the value of its Units. Notwithstanding the foregoing, no Unitholder who redeemed his/her Units before the release of any provision shall be entitled to claim any part of such release.

Stamp Duty

Stamp duty under the PRC mainland laws generally applies to the execution and receipt of all taxable documents listed in the PRC mainland's Provisional Rules on Stamp Duty.
Stamp duty is not expected to be imposed on non-tax resident holders of government and corporate bonds, either upon issuance or subsequent transfer of such bonds.

General

It should also be noted that the actual applicable tax rates imposed by the SAT may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC mainland tax liabilities. Consequently, Unitholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC mainland which the relevant Sub-Fund invests in, thereby reducing the income from, and/or value of the Units.

Tax Provision

In order to meet the potential tax liability on capital gains arising from disposal of PRC mainland Securities, the Manager reserves the right to provide for WIT on such gains and withhold the tax for the account of the relevant Sub-Fund. The Manager will at the inception of the relevant Sub-Fund decide whether the investment objectives and policies of the relevant Sub-Fund would necessitate the making of tax provisions in respect of the relevant Sub-Fund for the above tax obligations. Even if provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. Where any provision is made, the amount of actual provision will be disclosed in the accounts of the relevant Sub-Fund. With the uncertainties under the applicable PRC mainland tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC mainland tax liabilities on gains derived from investments held by the relevant Sub-Fund. Upon any future resolution of the abovementioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. Investors should note that if provision for taxation is made, such provision may be excessive or inadequate to meet actual PRC mainland tax liabilities on investments made by the relevant Sub-Fund. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC mainland tax authorities. If no provision for potential WIT is made and in the event that the PRC mainland tax authorities enforce the imposition of such WIT in respect of the relevant Sub-Fund's investment, the Net Asset Value of the relevant Sub-Fund may be affected. As a result, redemption proceeds or distributions may be paid to the relevant Unitholders without taking full account of tax that may be suffered by the relevant Sub-Fund, which tax will subsequently be borne by the relevant Sub-Fund and affect the Net Asset Value of the relevant Sub-Fund and the remaining Units in the relevant Sub-Fund. In this case, the then existing and new Unitholders will be disadvantaged from the shortfall.

If the actual applicable tax rate levied by SAT is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Sub-Funds may suffer more than the tax provision amount as the Sub-Funds will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Unitholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by SAT is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Unitholders who have redeemed their Units before SAT's ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Manager's overprovision. In this case, the then existing and new Unitholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Sub-Funds as assets thereof.
Unitholders should seek their own tax advice on their tax position with regard to their investment in any Sub-Funds.

It is possible that the current tax laws, regulations and practice in the PRC mainland will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC mainland investments than currently contemplated.

SCHEDULE 1 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS

THE OFFERING PHASES

This Schedule 1 contains disclosure relating to the Listed Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to a Listed Class of Units of a Sub-Fund or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class Units (to be available for trading on the Listing Date) by cash Creation Application and/or an in-kind Creation Application (as the case may be) on each Dealing Day for themselves and/or their clients by transferring cash and/or Securities (as the case may be) in accordance with the Operating Guidelines.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day no later than 2 Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee after 2 Business Days prior to the Listing Date or such deadline as specified in the relevant Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

During the relevant Initial Offer Period, Creation Applications must be made in Application Unit Size, which is the number of Units specified in the relevant Appendix, or such other multiple of Units from time to time determined by the Manager, in consultation with the Trustee and notified to Participating Dealers. Participating Dealers (acting for themselves or for their clients) can apply for Units on each Dealing Day at the Issue Price.

Please refer to the section headed "Creations and Redemptions (Primary Market)" for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the relevant Listed Class of Units terminated.

You can acquire or dispose the Listed Class of Units in either of the following two ways:

(a) buy and sell Listed Class of Units on the SEHK; or

(b) apply for creation and redemption of Listed Class of Units through Participating Dealers.

Buying and selling of Listed Class of Units on the SEHK

After Listing, all investors can buy and sell Listed Class of Units in Trading Board Lot Size (as described in the section headed "Key Information" in the relevant Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the

secondary market. As a result, the market price of the Listed Class of Units in the secondary market may be higher or lower than the Net Asset Value per Unit.

Please refer to the section headed "Exchange Listing and Trading (Secondary Market)" for further information in respect of buying and selling of Listed Class of Units on the SEHK.

Creations and redemptions through Participating Dealers

Listed Class of Units will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit Size. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Unit Size and the currency for settlement are set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications or Redemption Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application or Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application or Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application or Redemption Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

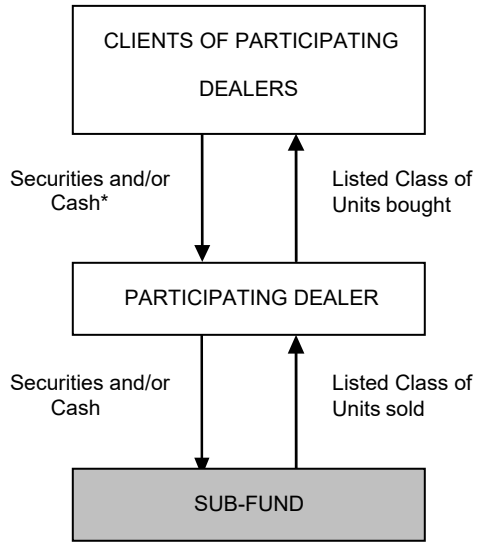
Settlement in cash for subscribing Listed Class of Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Listed Class of Units is due 3 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, in each case, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case. Notwithstanding any Dual Counter (as applicable) for Listed Class of Units, all settlement is in the base currency of the relevant Sub-Fund only.

After Listing, all Listed Class of Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Listed Class of Units. The beneficial interests in Listed Class of Units of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or with any other CCASS participants if the client is buying from the secondary market.

Diagrammatic illustration of investment in a Sub-Fund

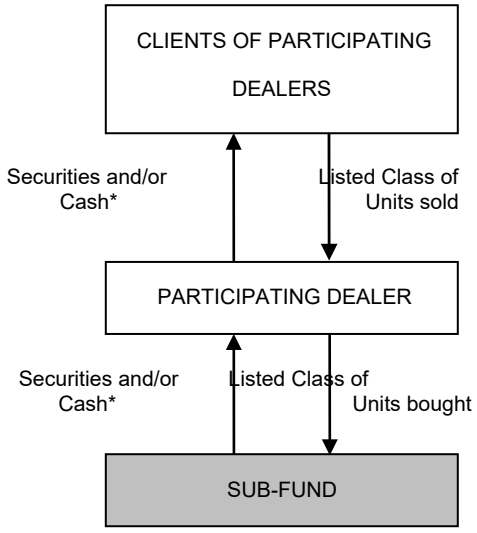
The diagrams below illustrate the creation or redemption and the buying or selling of Listed Class of Units:

(a) Creation and buying of Listed Class of Units in the primary market – Initial Offer Period and After Listing



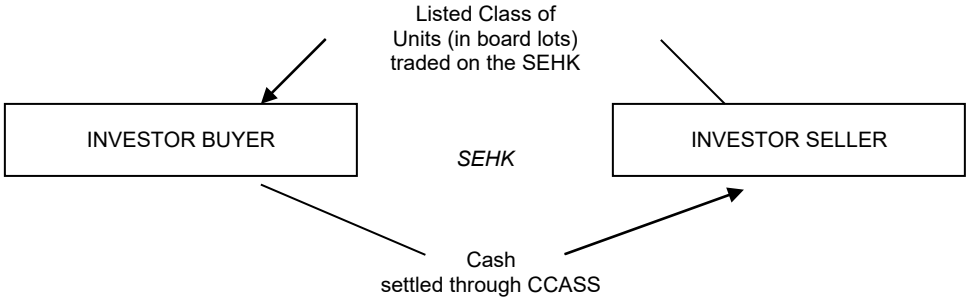
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the creation currency.*

(b) Redemption and sale of Listed Class of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the redemption currency.*

(c) Buying or selling of Listed Class Units in the secondary market on the SEHK – After Listing



Summary of offering methods and related fees

Initial Offer Period

Method of Offering*	**Minimum Number of Units (or such other number of Units as determined by the Manager and approved by the Trustee)**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Cash creation	Application Unit Size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Unit Size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash Component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

Method of Acquisition or Disposal of Units*	**Minimum Number of Units (or such other number of Units as determined by the Manager and approved by the Trustee)**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK Brokerage fees and Duties and Charges
Cash creation and cash redemption	Application Unit Size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation and redemption	Application Unit Size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash Component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

* *The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind or in cash, are specified in the relevant Appendix.*

** *Please refer to the section headed "Fees and Expenses" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.*

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in the Listed Class of Units a Sub-Fund

There are 2 methods of making an investment in the Listed Class of Units of a Sub-Fund and of disposing of the Listed Class of Units to realise an investment in a Sub-Fund.

The first method is to create or to redeem Listed Class of Units at Net Asset Value directly with a Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where a Sub-Fund has a Dual Counter, all creation and redemption for all Listed Class of Units must be in the class currency of the relevant Listed Class of Units as specified in the relevant Appendix. Because of the size of the capital investment (i.e. Application Unit Size) required either to create or redeem Listed Class of Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Listed Class of Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Listed Class of Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Listed Class of Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section headed “Exchange Listing and Trading (Secondary Market)” relates to the second method of investment.

Creation of Listed Class of Units through Participating Dealers

Any application for the creation of Listed Class of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit Size as set out in the section headed “Key Information” in the relevant Appendix (save and except for Creation Applications during the relevant Initial Offer Period). Investors cannot acquire Listed Class of Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager).

Listed Class of Units in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day for its own account or for the account of their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Listed Class of Units for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section headed “Creation process” below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such creation requests.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Index Securities in the relevant underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(c) where acceptance of the creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements relating to creation requests by potential investors

The methods and currency of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the creation of Units in exchange for a transfer of Securities) or in cash or (if permitted by the Manager) both in-kind and in cash, are specified in the relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method. Specifically, the Manager has the right to (a) accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such Security in lieu of accepting such Security as constituting part of the Creation Application; or (b) accept cash collateral on such terms as it determines if (i) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with the Creation Application; or (ii) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

Notwithstanding a Dual Counter being adopted for a Sub-Fund, cash payable to a Participating Dealer in a cash Creation Application for Listed Class of Units of a Sub-Fund must be in the class currency of the relevant Listed Class of Units.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

A Participating Dealer may impose fees and charges in handling any creation request from investors which would increase the cost of investment. Investors are advised to check with the Participating Dealer as to the relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance

procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit Size for a Sub-Fund is the number of Listed Class of Units specified in the relevant Appendix. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit Size will not be accepted (save and except for Creation Applications during the relevant Initial Offer Period).

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of Listed Class of Units of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of creation requests from its clients or where it wishes to create Listed Class of Units of the relevant Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline after Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Stock Exchange, the Recognised Futures Exchange or the inter-bank bond market are reduced.

To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Listed Class of Units and the class of Listed Class of Units (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Listed Class of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund;

(c) where (as applicable) the QFI status of the Manager relating to the relevant Sub-Fund is cancelled or withdrawn;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of

dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Index Securities in the relevant Underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(f) circumstances outside the control of the Manager which make it for all practicable purposes impossible to process the Creation Application;

(g) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian (as applicable) in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Listed Class of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Manager may exercise its ultimate rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the relevant Sub-Fund, the creation of Listed Class of Units in Application Unit Size (save and except for Creation Applications during the relevant Initial Offer Period) in exchange for a transfer of cash and/or Securities; and (ii) the issue of Listed Class of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Listed Class of Units

Listed Class of Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price a sum (if any) which represents an appropriate provision for Duties and Charges. Please refer to the section headed "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Listed Class of Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Listed Class of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the in the class currency of the relevant Listed Class of Units (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Listed Class of Unit shall be created or issued by the Trustee.

The creation and issue of Listed Class of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but (i) for valuation

purposes only, Listed Class of Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received, and (ii) the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section headed "Fees and Expenses" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Listed Class of Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Listed Class of Units, are being infringed.

Fees relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Listed Class of Units. See the section headed "Fees and Expenses" for further details.

In relation to cash creation of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

(a) the prices used when valuing the Securities of the relevant Sub-Fund for the purpose of such issue of Listed Class of Units; and

(b) the prices which would be used when acquiring the same Securities if they were acquired by the relevant Sub-Fund with the amount of cash received by the relevant Sub-Fund upon such issue of Listed Class of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Listed Class of Units shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager, may cancel a creation order in respect of any Listed Class of Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash (including Transaction Fee, Duties and Charges) relating to the Creation Application by the relevant time on the Dealing Day.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Listed Class of Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Listed Class of Units deemed created pursuant to a Creation Application as provided for above, any cash received by or on behalf

of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Listed Class of Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section headed "Fees and Expenses" for further details);

(b) the Manager may at its discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Listed Class of Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Listed Class of Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the relevant Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section headed "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Listed Class of Units.

Redemption of Listed Class of Units through Participating Dealers

Any application for the redemption of Listed Class of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit Size. Investors cannot redeem Listed Class of Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

A Participating Dealer may redeem Listed Class of Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Listed Class of Units for the relevant initial Participating Dealer on behalf of its clients (please refer to the sub-section headed "Redemption process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such redemption request.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements relating to redemption requests by potential investors

The methods and currency of redemption available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the redemption of Units in exchange for a transfer of Securities plus any cash amount) or in cash only, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method. Specifically, the Manager has the right to instruct the Trustee to deliver cash equivalent of any Security in connection with the Redemption Application to the Participating Dealer if (a) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

Unless otherwise specified in the relevant Appendix, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid in the base currency of the relevant Sub-Fund only. Units traded in the relevant trading currency (or if there is a Dual Counter, in both trading currencies) may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem Units traded in a trading currency of a Sub-Fund which is not its base currency, the redemption process is the same as for Units traded in the base currency of the relevant Sub-Fund.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. Investors are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of the Listed Class of Units of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of the Listed Class of Units of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Listed Class of Units of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Stock Exchange, the Recognised Futures Exchange or the inter-bank bond market are reduced.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Listed Class of Units and the class of Listed Class of Units (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Listed Class of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the Sub-Fund, (ii) the redemption of Listed Class of Units of the Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Index Securities in the relevant underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Person necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian (as applicable) in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Listed Class of Units; and (ii) require the Trustee to transfer to the Participating Dealer cash in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the Securities and/or cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Listed Class of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Listed Class of Units to be cancelled (or an indemnity in terms acceptable to the Trustee) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Listed Class of Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Listed Class of Units redeemed and cancelled on the relevant Settlement Day.

Unless otherwise specified in the relevant Appendix, the Redemption Value of Listed Class of Units tendered for redemption shall be the Net Asset Value per Unit of the relevant Sub-Fund rounded to the nearest 4 decimal places (0.00005 or above being rounded up). The benefit of any rounding adjustments will be retained by the relevant Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed 1 calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Listed Class of Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the

Trustee) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the Sub-Funds). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section headed "Fees and Expenses" for further details.

In relation to cash redemption of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the relevant Sub-Fund for the difference between:

(a) the prices used when valuing the Securities of the relevant Sub-Fund for the purpose of such redemption of Listed Class of Units; and

(b) the prices which would be used when selling the same Securities if they were sold by the relevant Sub-Fund in order to realize the amount of cash required to be paid out of the relevant Sub-Fund upon such redemption of Listed Class of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

No cash amount shall be paid in respect of any Redemption Application unless the Listed Class of Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other deadline set forth in the Trust Deed and/or Operating Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that any Listed Class of Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section headed "Fees and Expenses" for further details);

(b) the Manager may at its discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Listed Class of Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities made a Creation Application in accordance with the provisions of the Trust Deed

plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the relevant Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section headed "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred Redemption

In the event that redemption requests are received for the redemption of Listed Class of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund and as permitted by the SFC) of the total number of Units in the Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem such Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the Units in the Sub-Fund then in issue. Such Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the Units in the Sub-Fund then in issue) in priority to any other Units in the Sub-Fund for which redemption requests have been received. Such Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of creations and redemptions

The Manager may, at its discretion, after consultation with the Trustee (and where practicable, after consultation with Participating Dealers), having regard to the best interests of the Unitholders, suspend the creation or issue of Listed Class of Units of any Sub-Fund(s), suspend the redemption of Listed Class of Units of any Sub-Fund(s) and/or (subject to the relevant requirements of the Code where payment of redemption monies exceeds 1 calendar month) delay the payment of any monies in respect of any Creation Application and/or Redemption Application in the following circumstances:

(i) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(ii) during any period when a market on which (i) for an Index Tracking Sub-Fund, an Index Security (that is a component of the relevant underlying Index) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of such Sub-Fund, has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(iii) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, an Index Security (that is a component of the relevant underlying Index) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of such Sub-Fund has its primary listing, is restricted or suspended;

(iv) during any period when, in the opinion of the Manager, settlement or clearing of (i) (for an Index Tracking Sub-Fund) Index Securities or (ii) (for a Non-Index Tracking Sub-Fund) Securities comprising the relevant Sub-Fund in the official clearing and

settlement depositary (if any) of such market is disrupted;

(v) during the existence of any state of affairs as a result of which delivery or purchase of Securities, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;

(vi) during any period when the relevant underlying Index (for an Index-Tracking Sub-Fund) is not compiled or published;

(vii) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(viii) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section headed "Suspension of determination of Net Asset Value" arises; or

(ix) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian (as applicable) in respect of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God .

The Manager will, after consultation with the Trustee, having regard to the best interests of Unitholders, suspend the right to subscribe for Listed Class of Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer or such other percentage permitted under Schedule 1. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at http://www.csopasset.com (the contents of which have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of unitholding

Listed Class of Units will be deposited, cleared and settled by the CCASS. Listed Class of Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Listed Class of Units deposited with the CCASS and is holding such Units for the participants in accordance with the General Rules of HKSCC. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Listed Class of Units. Investors owning Listed Class of Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are CCASS participants.

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

(a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Listed Class of Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Funds suffering any adverse effect which the Trust or the Sub-Funds might not otherwise have suffered; or

(b) in the circumstances which, in the Manager’s opinion, may result in the Trust or the Sub-Funds incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Funds might not otherwise have incurred or suffered.

Upon notice that any Listed Class of Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Listed Class of Units

A Unitholder may transfer Listed Class of Units using the standard transfer form issued by SEHK or by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Unitholders of the Listed Class of Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Listed Class of Units being transferred. No Listed Class of Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding in the Sub-Fund. If and to the extent that all Units are deposited in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

The purpose of the listing of the Listed Class of Units on the SEHK is to enable investors to buy and sell Listed Class of Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Listed Class of Units in the primary market.

The market price of a Unit in the Listed Class of Units listed or traded on the SEHK may differ from the Net Asset Value per Unit. Any transactions in the Listed Class of Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Listed Class of Units are listed on the SEHK they will remain listed.

The Manager use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Units of each Sub-Fund. Where a Dual Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each available counter although these Market Makers may be the same entity. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager may make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Listed Class of Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Listed Class of Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell such Units. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the relevant Sub-Fund in respect of their profits.

If you wish to buy or sell Listed Class of Units on the secondary market, you should contact your brokers.

If trading of the Listed Class of Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Listed Class of Units.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of any Sub-Fund on one or more other stock exchanges.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Please also refer to the relevant Appendix of each Sub-Fund for additional disclosures on secondary market trading.

ISSUE PRICE AND REDEMPTION VALUE

Unless otherwise specified in the relevant Appendix, the Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Listed Class of Units of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to 4 decimal places (0.00005 or above being rounded up), or such other amount from time to time determined by the Manager and the Trustee. The Issue Price during the Initial Offer Period of each Listed Class of Units of a Sub-Fund will be set out in the relevant Appendix.

Unless otherwise specified in the relevant Appendix, after the expiry of the Initial Offer Period, the Issue Price of Listed Class of Units created and issued pursuant to a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Listed Class of Units as at the relevant Valuation Point divided by the total number of the relevant Listed Class of Units then in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up).

Unless otherwise specified in the relevant Appendix, the Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Listed Class of Units as at the relevant Valuation Point divided by the total number of the relevant Listed Class of Units then in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The Issue Price and the Redemption Value for the Listed Class of Units (or the latest Net Asset Value of the Listed Class of Units) will be available on the Manager's website at http://www.csopasset.com (the contents of which have not been reviewed by the SFC) or published in such publications as the Manager may decide from time to time.

Neither the Issue Price nor the Redemption Value takes into account Transaction Fees, Duties and Charges or fees payable by a Participating Dealer.

SCHEDULE 1A – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS (IN RESPECT OF CSOP GOLD ETF ONLY)

THE OFFERING PHASES

This Schedule 1A contains disclosure relating to CSOP Gold ETF only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to Listed Class of Units or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

Initial Offer Period

Creations through Participating Dealers

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units (to be available for trading on the Listing Date) by means of cash Creation Applications in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold Creation Application or by a combination of both on each Dealing Day for themselves and/or their clients by transferring cash and/or Bullions in accordance with the Operating Guidelines.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day before the above deadline unless otherwise stated in the Appendix.

If a Creation Application is received by the Trustee after the deadline as specified in the Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit Size or whole multiples thereof, which is the number of Listed Class of Units specified in the Appendix or such other multiple of Listed Class of Units from time to time determined by the Manager, in consultation with the Trustee and notified to Participating Dealers. During the Initial Offer Period the Participating Dealers (acting for themselves or for their clients) can apply for Listed Class of Units on each Dealing Day at the Issue Price.

Special creations through Eligible Investors

During the Initial Offer Period, where specified in the Appendix, the Manager may accept special creations of Listed Class of Units by Eligible Investors at the Issue Price and based on terms that may be agreed by the Manager and the Trustee. The procedure for special creations of Listed Class of Units by Eligible Investors is equivalent to the terms governing Creation Applications made through a Participating Dealer in all material respects save for the Application Unit Size and (where applicable) the Dealing Deadline. The Application Unit Size applicable to creations through Participating Dealers does not apply to a Special Creation Application, which may be made in a minimum of one Unit or more.

To be dealt with during the Initial Offer Period, the Special Creation Application must be submitted by the deadline as specified in the Appendix.

If a Creation Application is received by the Trustee after the deadline as specified in the Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Please refer to the section headed "CREATIONS AND REDEMPTIONS (PRIMARY MARKET)" for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the Sub-Fund is terminated.

Purchase and Sale of Listed Class of Units and Creation and Redemption of Listed Class of Units

You can acquire or dispose the Listed Class of Units in either of the following two ways:

1. buy and sell Listed Class of Units on the SEHK; or

2. apply for creation and redemption of Listed Class of Units through Participating Dealers.

Where specified in an Appendix, for Eligible Investors, special creations and redemptions for Listed Class of Units in the Sub-Fund is available.

Buying and selling of Listed Class of Units on the SEHK

After Listing, investors can buy and sell Listed Class of Units in Trading Board Lot Size (as described in the section "Key Information" in the Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units in the secondary market may be higher or lower than Net Asset Value per Listed Class of Unit.

Please refer to the section headed "Exchange Listing And Trading (Secondary Market)" for further information in respect of buying and selling of Listed Class of Units on the SEHK.

Creations and redemptions through Participating Dealers

Listed Class of Units will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit Size or multiples thereof. The Application Unit Size and currency for settlement are as set out in the Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications and/or Redemption Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application or Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application or Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application or Redemption Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

The current Dealing Deadline for making a Creation Application or Redemption Application is as specified in the Appendix.

Settlement for subscribing Listed Class of Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming of Listed Class of Units as agreed in the Operating Guidelines on the relevant Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

All settlement is in the base currency of the Sub-Fund only (or such other currency as agreed by the Manager).

After Listing, all Listed Class of Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Listed Class of Units. The beneficial interests in Listed Class of Units of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or with any other CCASS participants if the client is buying from the secondary market.

Special creations and redemptions through Eligible Investors

Where specified in the Appendix, the Manager may accept special creations and redemptions of Listed Class of Units by Eligible Investors based on terms that may be agreed by the Manager and the Trustee. The procedure for special creations and redemptions of Listed Class of Units by Eligible Investors is equivalent to the terms governing Creation Applications and Redemption Applications made through a Participating Dealer in all material respects save for the Application Unit Size and (where applicable) the Dealing Deadline. The Application Unit Size applicable to creations or redemptions through Participating Dealers does not apply to a Special Creation Application or Special Redemption Application, which may be made in a minimum of one Unit or more.

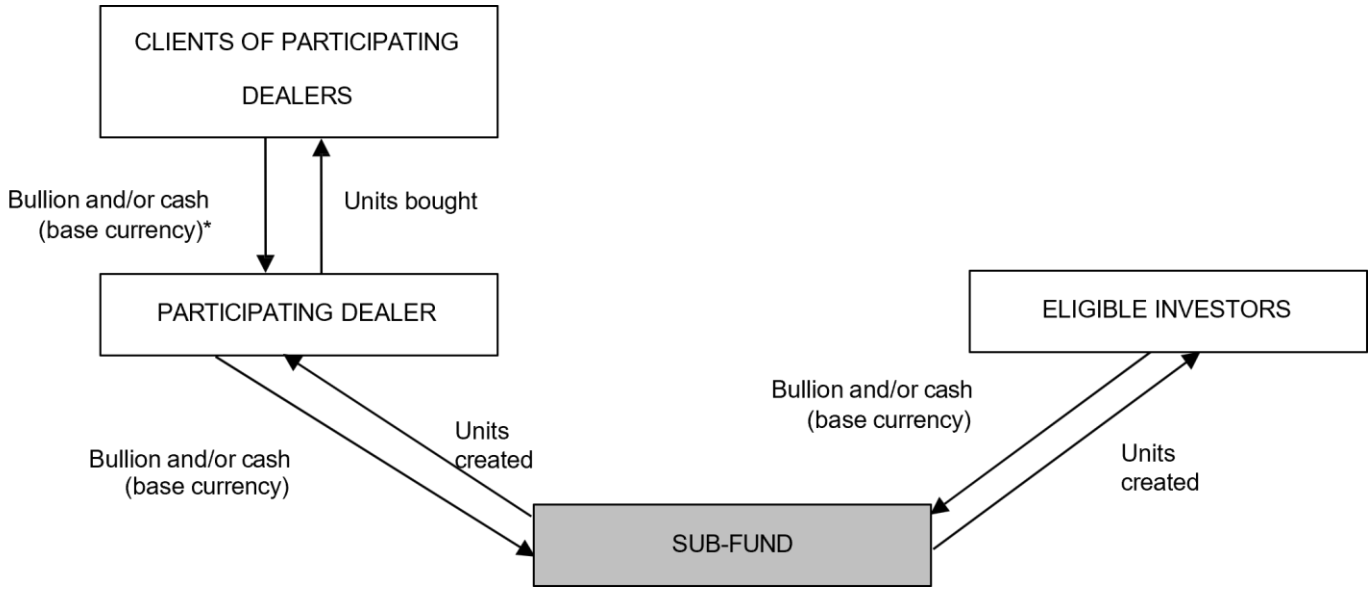
The Manager reserves the right to request the Eligible Investors to reimburse the Sub-Fund for the Duties and Charges incurred in relation to the special creation and redemption.

The current Dealing Deadline for making a Special Creation Application or a Special Redemption Application by Eligible Investors is as specified in the Appendix.

Diagrammatic illustration of investment in the Listed Class of Units of the Sub-Fund

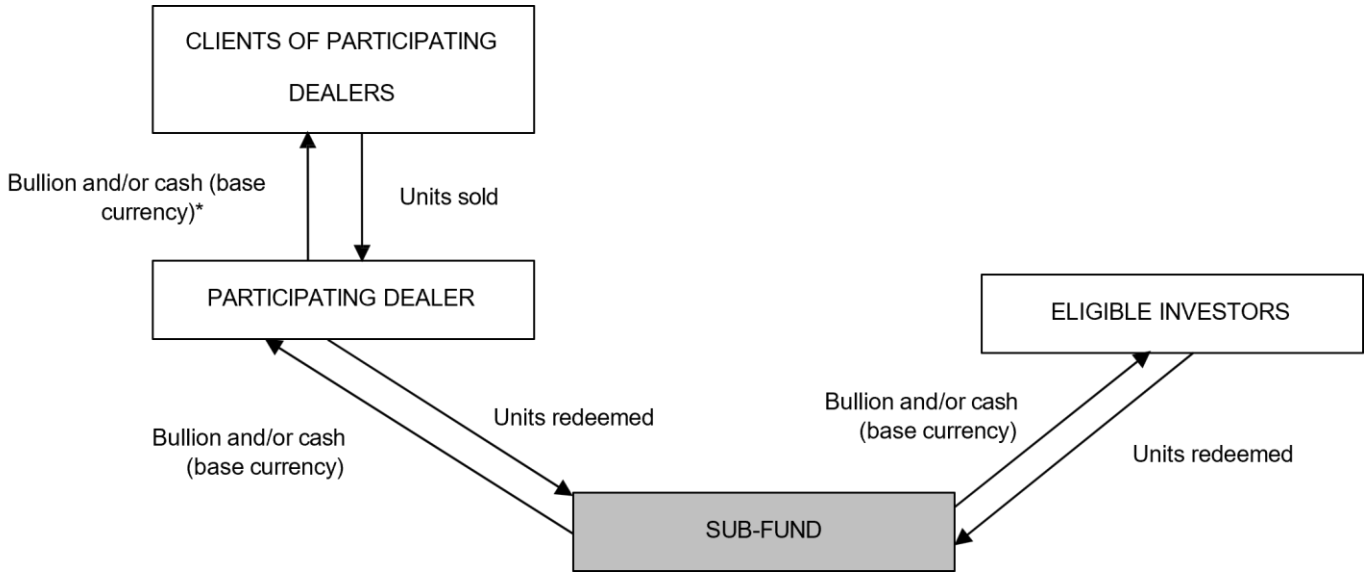
The diagrams below illustrate the issue or redemption and the buying or selling of Listed Class of Units:

(a) Creation and buying of Listed Class of Units in the primary market – Initial Offer Period and After Listing



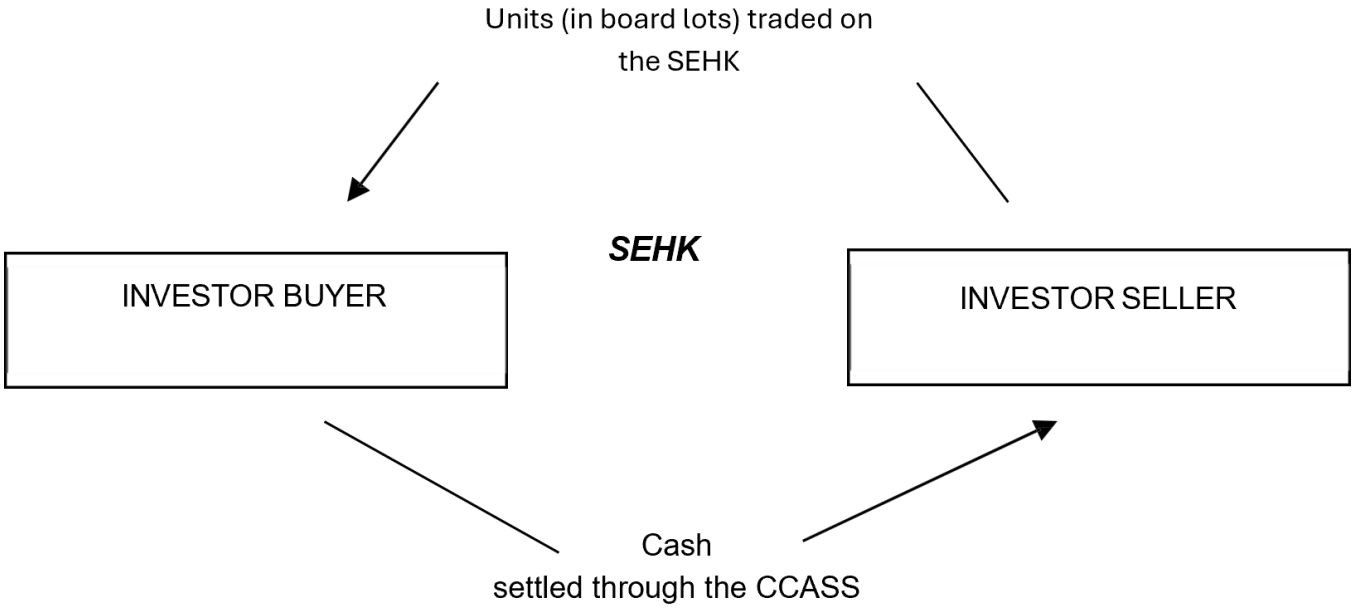
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency*.

(b) Redemption and sale of Listed Class of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency*.

(c) Buying or selling of Listed Class of Units in the secondary market on the SEHK – After Listing



Summary of offering methods of Listed Class of Units and related fees

Initial Offer Period

Method of Acquisition or Disposal of Listed Class Units*	**Minimum Number of Listed Class Units**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Cash creation (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion)	Application Unit Size (see the Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Issue Price (in cash) Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-gold creation	Application Unit Size (see the Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Bullions Cash Component Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

Special creation	1	Through Eligible Investors only	Eligible Investors only	Bullions and Cash Component/Cash Duties and Charges

After Listing

Method of Acquisition or Disposal of Listed Class Units*	**Minimum Number of Listed Class Units**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see the Appendix)	On the SEHK	Any investor	Market price of Listed Class of Units on the SEHK Brokerage fees and Duties and Charges (payable in such currency determined by the relevant broker)
Cash creation and redemption (in USD)	Application Unit Size (see the Appendix)	Through Participating Dealers only	Any person acceptable to the Participating Dealer as its client	Issue Price/ Redemption Value (in cash) Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined or agreed with it) Duties and Charges

In-gold creation and redemption	Application Unit Size (see the Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Bullions Cash Component Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
Special creation and redemption	1	Through Eligible Investors only	Eligible Investors only	Bullions and Cash Component/Cash Duties and Charges

** The methods of creation available to the Participating Dealers in respect of the Sub-Fund (in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion)), in-gold or by a combination of both) are specified in the Appendix.*

*** Please refer to the section headed "FEES AND EXPENSES" for further details.*

CREATIONS AND REDEMPTIONS

(PRIMARY MARKET)

Investment in the Sub-Fund

There are 3 methods of making an investment in the Listed Class of Units of the Sub-Fund and of disposing of Listed Class of Units to realise an investment in the Sub-Fund.

The first method is to create or to redeem Listed Class of Units at Net Asset Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the Sub-Fund. Where stated in the Appendix, cash creation/in-gold creation or cash redemptions/in-gold redemptions (or a combination of cash and in-gold) may be permitted by the Manager. Subject to arrangement with the Manager, all creation and redemption for all Listed Class of Units must be in the base currency of that Sub-Fund (or such other currency as agreed by the Manager). Because of the size of the capital investment (i.e. Application Unit Size) required either to create or redeem Listed Class of Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Listed Class of Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Listed Class of Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Listed Class of Units may trade at a premium or discount to the Net Asset Value of the Sub-Fund. The section on "EXCHANGE LISTING AND TRADING (SECONDARY MARKET)" relates to this method of investment.

The third method, which is available only to Eligible Investors in respect of the Sub-Fund where specified in the Appendix, is to apply for special creation or special redemption whereby an Eligible Investor may create or redeem Listed Class of Units based on the Net Asset Value per Unit in the primary market. The Application Unit Size applicable to creations or redemptions through Participating Dealers does not apply to a Special Creation Application or Special Redemption Application, which may be made in a minimum of one Unit or more.

This section of this Prospectus should be read in conjunction with the Operating Guidelines or Special Operating Guidelines (as the case may be) and the Trust Deed.

Creation of Listed Class of Units through a Participating Dealer

Any Application for the creation of Listed Class of Units of the Sub-Fund (other than special creations through the Eligible Investors) must only be made through a Participating Dealer in respect of an Application Unit Size as set out in the Appendix. Investors cannot acquire Listed Class of Units directly from the Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day.

Listed Class of Units in the Sub-Fund are continuously offered through a Participating Dealer, who may apply for them during the Initial Offer Period and thereafter following the Listing Date on any Dealing Day for its own account or for your account as their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Listed Class of Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section headed "Creation process" below for the examples of circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual

agreement between the relevant initial Participating Dealer and you as to the method of effecting such creation request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the Sub-Fund, (ii) the redemption of Listed Class of Units of the Sub-Fund, and/or (iii) the determination of Net Asset Value of the Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Bullions constituting or relating to a Sub-Fund's Index.

(c) where acceptance of the creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the creation request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements relating to creation requests by investors

The methods and currency of creation available in respect of the Sub-Fund, whether in-gold (i.e. the creation of Listed Class of Units in exchange for a transfer of Bullions), in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), or by a combination of both, are specified in Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. You should check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of the Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of the Sub-Fund can be submitted by it to the Trustee with a copy to the Manager. You should check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit Size for the Sub-Fund is the number of Listed Class of Units specified in the Appendix. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit Size will not be accepted (save and except for Creation Applications during the Initial Offer Period).

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of the Sub-Fund to the Trustee, with a copy to the Manager, following receipt of creation requests from clients or where it wishes to create Listed Class of Units of the Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix.

To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Units and the class of Units (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Listed Class Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with the Bullion and other laws in relation to the creation of Listed Class of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under circumstances, including without limitation the following:

(a) any period during which (i) the creation or issue of Listed Class of Units of the Sub-Fund, (ii) the redemption of Listed Class of Units of the Sub-Fund, and/or the determination of Net Asset Value of the Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the Sub-Fund;

(c) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Bullion constituting or relating to the Index;

(e) where acceptance of the Creation Application would render the Manager in breach of or non-compliance with any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(f) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;

(g) the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in relation to the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Listed Class of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Manager may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (a) for the account of the Sub-Fund, the creation of Listed Class of Units in Application Unit Size in exchange for a transfer of cash and/or Bullions; and (b) the issue of Listed Class of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Listed Class of Units

Listed Class of Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges. Please refer to the sub-section headed "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Listed Class of Units in the Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Listed Class of Units in the Sub-Fund on the Initial Issue Date.

Listed Class of Units are denominated in the base currency of the Sub-Fund (unless otherwise determined by the Manager) as set out in the Appendix. No fractions of a Listed Class Unit shall be created or issued by the Trustee.

The creation and issue of Listed Class of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but (i) for valuation purposes only, Listed Class of Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received, and (ii) the register will be updated on the Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "FEES AND EXPENSES" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Listed Class of Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Listed Class of Units, are being infringed.

Creation through a Participating Dealer

Listed Class of Units may be created through a Participating Dealer by way of creations made either in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold or by a combination of both.

Cash creation

The Manager shall instruct the Trustee to effect, for the account of the Sub-Fund, the creation of Listed Class of Units in Application Unit Size in consideration for the cash amount (as well as Duties and Charges and Transaction Fees) in accordance with the Operating Guidelines and the Trust Deed. On a Dealing Day, Listed Class of Units can be created by paying in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion). In such cases, the creation shall be effected by paying (i) the relevant cash amount , (ii) Duties and Charges, and (iii) Transaction Fee.

The Manager shall, acting in good faith, have the absolute right to reject or suspend a cash Creation Application including but not limited to if (i) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (ii) the Manager has suspended the rights of Participating Dealers to create or redeem Listed Class of Units; or (iii) an insolvency event occurs in respect of the Participating Dealer.

In-gold creation

In respect of an in-gold creation, the Manager in consultation with the Trustee and the Gold Custodian shall instruct the Trustee to effect, for the Sub-Fund, the creation of Listed Class of Units in Application Unit size in exchange for the Basket and, if applicable, a Cash Component (as well as Duties and Charges and Transaction Fees) in accordance with the Operating Guidelines and the Trust Deed. The Cash Component may be positive or negative (and where it is negative the Participating Dealer will be paid the Cash Component by the Sub-Fund and where it is positive the Participating Dealer will pay the Cash Component to the Sub-Fund).

Participating Dealers must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian.

The Manager, in consultation with the Gold Custodian, shall have the absolute right to reject or suspend an in-gold Creation Application, including, but not limited to, if (i) the Manager reasonably believes that the acceptance of any Bullion may be unlawful; (ii) the acceptance of any Bullion would otherwise, in the opinion of the Manager, have an adverse effect on the Sub-Fund; (iii) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (iv) the Manager has suspended the rights of Participating Dealers to create or redeem Units; (v) an insolvency event occurs in respect of the Participating Dealer; or (vi) the Participating Dealer has failed to meet the Manager's requirements for customer due diligence (including on anti-money laundering, counter-terrorist financing sanctions, and other applicable requirements for financial crime checking).

General

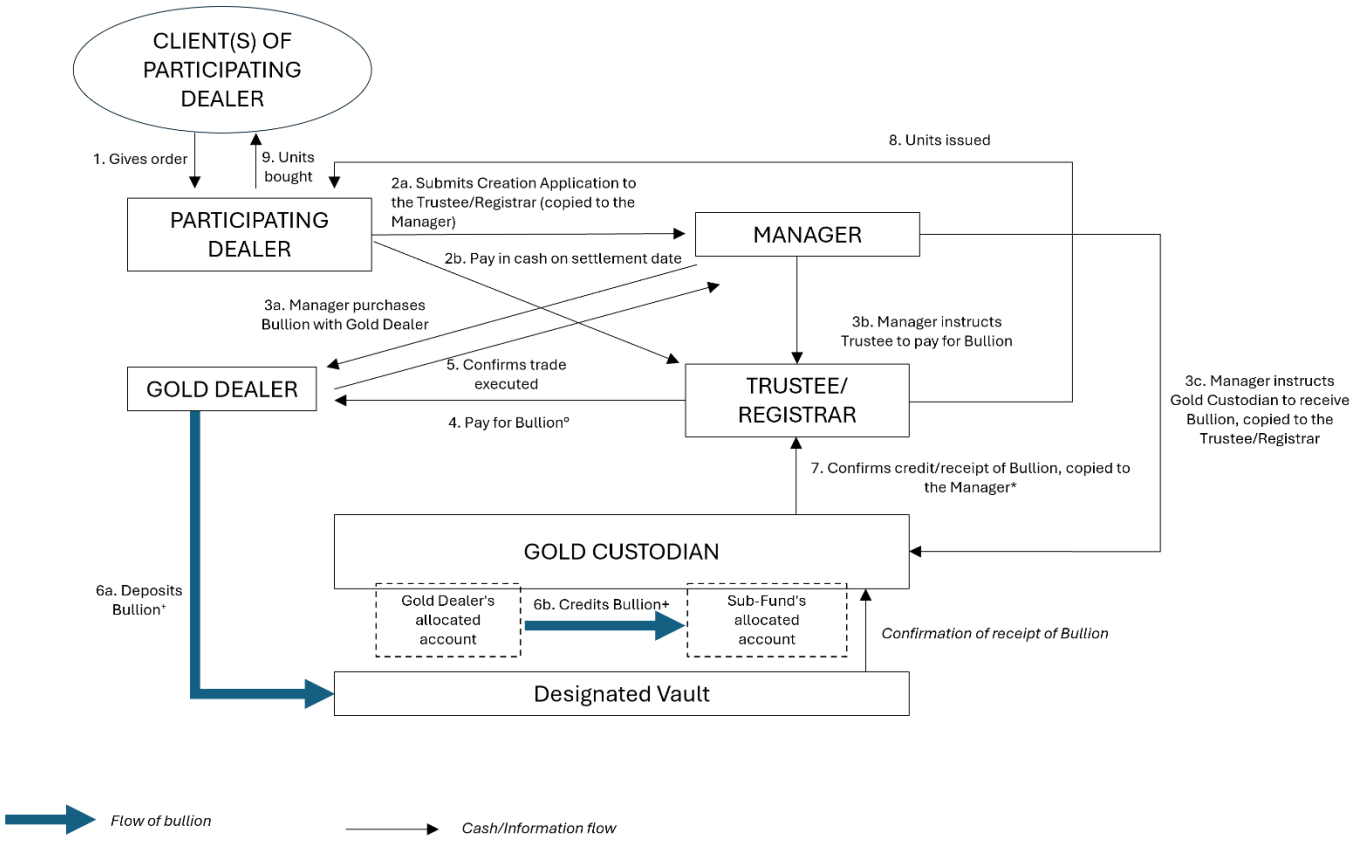
Once the Listed Class of Units are created, the Manager shall instruct the Trustee to effect, for the Sub-Fund, the issue of Listed Class of Units to a Participating Dealer in accordance with the Operating Guidelines and the Trust Deed.

The creation and issue of Listed Class of Units by a Creation Application shall be effected on the Settlement Day after (i) in respect of in-gold creations, the requisite Bullion comprised in the Basket is credited to the Sub-Fund's allocated account with the Gold Custodian (in the case of credit of Bullion between a Participating Dealer's or a Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian) or delivered to the Designated Vault (in the case of direct deposit of Bullion into a Designated Vault), and, if applicable, the Cash Component (as well as any Duties and Charges and Transaction Fees) is credited to the Sub-Fund's account with the Trustee or (ii) in respect of a cash creation, the cash amount (as well as any Duties and Charges and Transaction Fees) are received in the Sub- Fund's account with the Trustee, following the Creation Application having been received and accepted in accordance with the Operating Guidelines.

If (i) a Creation Application is received by the Trustee (with a copy to the Manager) on a day which is not a Dealing Day or (ii) after a Dealing Deadline, that Creation Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day, which shall then be the relevant Dealing Day for the purposes of that Creation Application.

No Listed Class of Units shall be issued to any Participating Dealer unless (a) the Creation Application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines and (b) either (i) in respect of an in-gold creation the Gold Custodian has confirmed receipt of the requisite Bullion and its credit to the Sub-Fund's allocated account or delivered to a Designated Vault (as the case may be) provided that the Cash Component (if any) and fees (if any) in cleared funds are received in the Sub-Fund's account with the Trustee in accordance with the Operating Guidelines, or (ii) in respect of a cash creation, the requisite cash amount and fees (if any) in cleared funds are received in the Sub-Fund's account with the Trustee in accordance with the Operating Guidelines.

The diagram below illustrates in simplified form the in-cash Creation Application process:



+ *Transfer of Bullion from a Gold Dealer to the Sub-Fund may be by way of either: (i) direct deposit of Bullion into a Designated Vault (process 6a); or (ii) credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b).*

Direct deposit of Bullion into a Designated Vault (process 6a) will be at the risk of the Gold Dealer. The Gold Custodian shall be held responsible for the risk for Bullion as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and the Gold Dealer's allocated account (process 6b) (if applicable) and the transfer between the Sub-Fund's allocated account and unallocated account within the Gold Custodian (not shown) shall not change such responsibility.

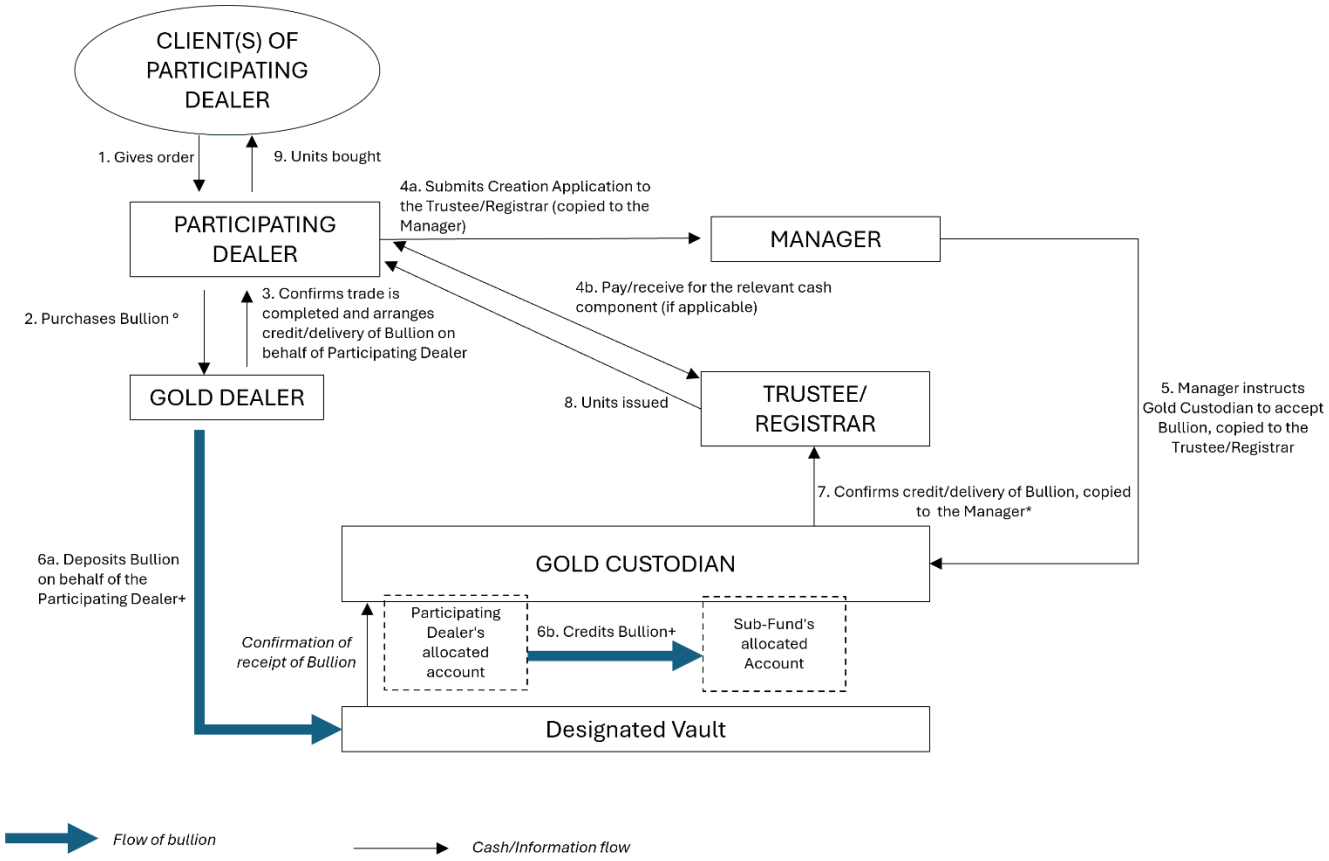
For direct deposit of Bullion into a Designated Vault (process 6a), the Sub-Fund only acquires legal title and risk as soon as the relevant Bullion is delivered to the Designated Vault. For credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b), the

Sub-Fund acquires legal title and risk when the relevant Bullion is credited into the Sub-Fund's allocated account with the Gold Custodian.

** The Gold Custodian shall send a credit/delivery confirmation to the Trustee to confirm the completion of process 6a or 6b.*

° The Sub-Fund must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee, in consultation with Gold Custodian. Gold Dealers will sell Bullion to the Sub-Fund direct in US dollars.

The diagram below illustrates in simplified form the in-gold Creation Application process:



+ Transfer of Bullion from a Gold Dealer to the Sub-Fund may be by way of either: (i) direct deposit of Bullion into a Designated Vault (process 6a); or (ii) credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b).

Direct deposit of Bullion into a Designated Vault (process 6a) will be at the risk of the Participating Dealer. The Gold Custodian shall be held responsible for the risk for Bullion as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and a Participating Dealer's allocated account (process 6b) (if applicable) and the transfer between the Sub-Fund's allocated account and unallocated account within the Gold Custodian (not shown) shall not change such responsibility.

For direct deposit of Bullion into a Designated Vault (process 6a), the Sub-Fund only acquires legal title and risk as soon as the relevant Bullion is delivered to the Designated Vault. For credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b), the Sub-Fund acquires legal title and risk when the relevant Bullion is credited into the Sub-Fund's allocated account with the Gold Custodian.

** The Gold Custodian shall send a credit/delivery confirmation to the Trustee to confirm the completion of process 6a or 6b.*

° *Participating Dealers must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee, in consultation with Gold Custodian. Gold Dealers will sell Bullion to Participating Dealers direct in US dollars.*

Fees relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Listed Class of Units. See the section on "FEES AND EXPENSES" for further details.

In relation to creation of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the Sub-Fund for the difference between:

(a) the prices used when valuing the Bullions of the Sub-Fund for the purpose of such issue of Listed Class of Units; and

(b) the prices which would be used when acquiring the same Bullions if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Listed Class of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Listed Class Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of the Sub-Fund.

Cancellation of Creation Applications

A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager, may cancel a creation order in respect of any Listed Class of Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash and/or Bullions (including Transaction Fee, Duties and Charges) relating to the Creation Application by the relevant time on the Dealing Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee) as the Manager may determine and in accordance with the provisions of the Operating Guidelines.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Listed Class of Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Listed Class Units deemed created pursuant to a Creation Application as provided for above, any cash and/or Bullions received by the Trustee or the Gold Custodian, as the case may be, in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the Listed Class of Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

(1) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "FEES AND EXPENSES" for further details);

(2) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Listed Class of Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(3) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "FEES AND EXPENSES" for further details); and

(4) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Listed Class of Units.

Redemption of Listed Class of Units through a Participating Dealer

Any Application for the redemption of Listed Class of Units of the Sub-Fund (other than special redemptions through the Eligible Investors) must only be made through a Participating Dealer in respect of an Application Unit Size. Investors cannot redeem Listed Class of Units directly from the Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

A Participating Dealer may redeem Listed Class of Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Listed Class of Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section headed "*Redemption process*" below for the examples of circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and you as to the method of effecting such redemption request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the Sub-Fund, (ii) the redemption of Listed Class of Units of the Sub-Fund, and/or (ii) the determination of Net Asset Value of the Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Bullions constituting or relating to the Index;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements relating to redemption requests by investors

The methods and currency of redemption available in respect of the Sub-Fund, whether in-gold (i.e. the redemption of Listed Class of Units in exchange for a transfer of Bullions), in cash (in USD only), or by a combination of both, are specified in the Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method.

Any cash proceeds received by a Participating Dealer in a Redemption Application shall be paid in the base currency of the Sub-Fund (or such other currency as agreed by the Manager).

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You should check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of the Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of the Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). You should check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of the Sub-Fund to the Trustee (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Listed Class of Units of the Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the Appendix.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Listed Class of Units and the class of Listed Class of Units (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the

redemption of Listed Class of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under circumstances, including without limitation the following:

(a) any period during which (i) the creation or issue of Listed Class of Units of the Sub-Fund, (ii) the redemption of Listed Class of Units of the Sub-Fund, and/or (ii) the determination of Net Asset Value of the Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Bullions constituting or relating to the Index;

(d) where acceptance of the Redemption Application would render the Manager in breach of or non-compliance with any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in relation to the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Listed Class of Units; and (ii) require the Trustee to transfer to the Participating Dealer cash and/or Bullions in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the cash and/or Bullions to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Listed Class of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Listed Class of Units to be cancelled (or an indemnity in terms acceptable to the Trustee) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Listed Class of Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Listed Class of Units shall be removed from the Register in respect of those Listed Class of Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Listed Class of Units tendered for redemption shall be the Net Asset Value per Unit of the Sub-Fund rounded to the nearest four decimal places (0.00005 or above being rounded up). The benefit of any rounding adjustments will be retained by the Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Listed Class of Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Redemption through a Participating Dealer

Listed Class of Units may be redeemed through Participating Dealers by way of redemptions made either in cash (in USD only), in-gold or by a combination of both.

Cash redemption

The Manager shall, on receipt of an effective cash Redemption Application from a Participating Dealer, instruct the Trustee to effect the payment in cash of the redemption proceeds in accordance with the Operating Guidelines.

In-gold redemption

Whether or not a Participating Dealer will accept in-gold Redemption Applications from its clients is at the discretion of such Participating Dealer and subject to the terms of its agreement with its client. You should contact the relevant Participating Dealer for further details before submitting an application to such Participating Dealer for it to redeem Listed Class of Units on your behalf.

The Manager shall, on receipt of an effective in-gold Redemption Application from a Participating Dealer, (i) instruct the Trustee to effect the redemption of the relevant Listed Units and (ii) instruct the Gold Custodian as to the amount of Bullion to be applied from the Sub-Fund's allocated account with the Gold Custodian and included in the Basket and the relevant pieces of Bullion in a Designated Vault to be delivered to meet the Redemption Application.

Transfers of Bullion may be by way of either: (i) direct physical delivery of the relevant amount of Bullion (in multiples of whole bars) out of a Designated Vault to a Participating Dealer; or (ii) credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account with the Gold Custodian.

For direct physical delivery of Bullion out of a Designated Vault to a Participating Dealer, the Manager shall have the absolute discretion to instruct the Gold Custodian as to which pieces of Bullion shall be applied and included to meet the in-gold redemption request. Such instruction will specify the unique serial number and refiner's brand of each piece of Bullion to be included. For direct physical delivery of Bullion as instructed by a Participating Dealer, the relevant Participating Dealer shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from a Designated

Vault and delivery of the relevant Bullion to such venue as designated by the Participating Dealer and subject to separate terms and conditions as applicable, at the Participating Dealer's own risk and cost for the collection and delivery of Bullion (or at its client's risk and cost for the collection and delivery of Bullion by the Participating Dealer on his/her behalf, if so agreed between them) . Please note any gold redeemed from the Sub-Fund from direct physical delivery may not be deposited with the Sub-Fund again by way of submitting an application for creation of Units. Upon collection from the Designated Vault, the legal title and risk of the Bullion will be transferred to the Participating Dealer.

For credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian, the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account into the Participating Dealer's allocated account within the Gold Custodian.

General

The Cash Component will be transferred in accordance with the Operating Guidelines and the Trust Deed. The Cash Component may be positive or negative (and where it is positive, the Participating Dealer will receive the Cash Component from the Sub-Fund and where it is negative, the Participating Dealer will pay the Cash Component to the Sub-Fund).

Any accepted Redemption Application will, depending on whether it is in cash (in USD only), in-gold or by a combination of both, be effected by the transfer of Bullion and/or the payment of a cash amount (if any) in accordance with the Operating Guidelines and the Trust Deed, on the Settlement Day provided that (i) such documentation as may be required by the Trustee has been received; (ii) where any bank account is specified by a Participating Dealer for the receipt of the cash amount (if any) in connection with the Redemption Application, it shall be subject to such verification as may be required by and to the satisfaction of the Trustee; and (iii) the full amount of any amount payable by the Participating Dealer including any Duties and Charges and the Transaction Fee have been either deducted or otherwise paid in full.

Transfers of Bullion in settlement of a cash Redemption Application will be by way of: (i) credit from the Sub-Fund's allocated account to the Gold Dealer's allocated account with the Gold Custodian; and/or (ii) direct physical delivery of Bullion to the Gold Dealer. Transfers of Bullion in settlement of an in-gold Redemption Application will be by way of: (i) credit of Bullion between the Sub-Fund's allocated account and a Participating Dealer's allocated account within the Gold Custodian; and/or (ii) with the allocated Bullion (in multiples of whole bars) being transferred out of a Designated Vault to the Participating Dealer at the Participating Dealer's own risk and cost (or to the Participating Dealer's client at the client's risk and cost) for the collection and delivery of such Bullion. Each cash payment of Cash Component (where it is positive) will be paid to the Participating Dealer's bank account.

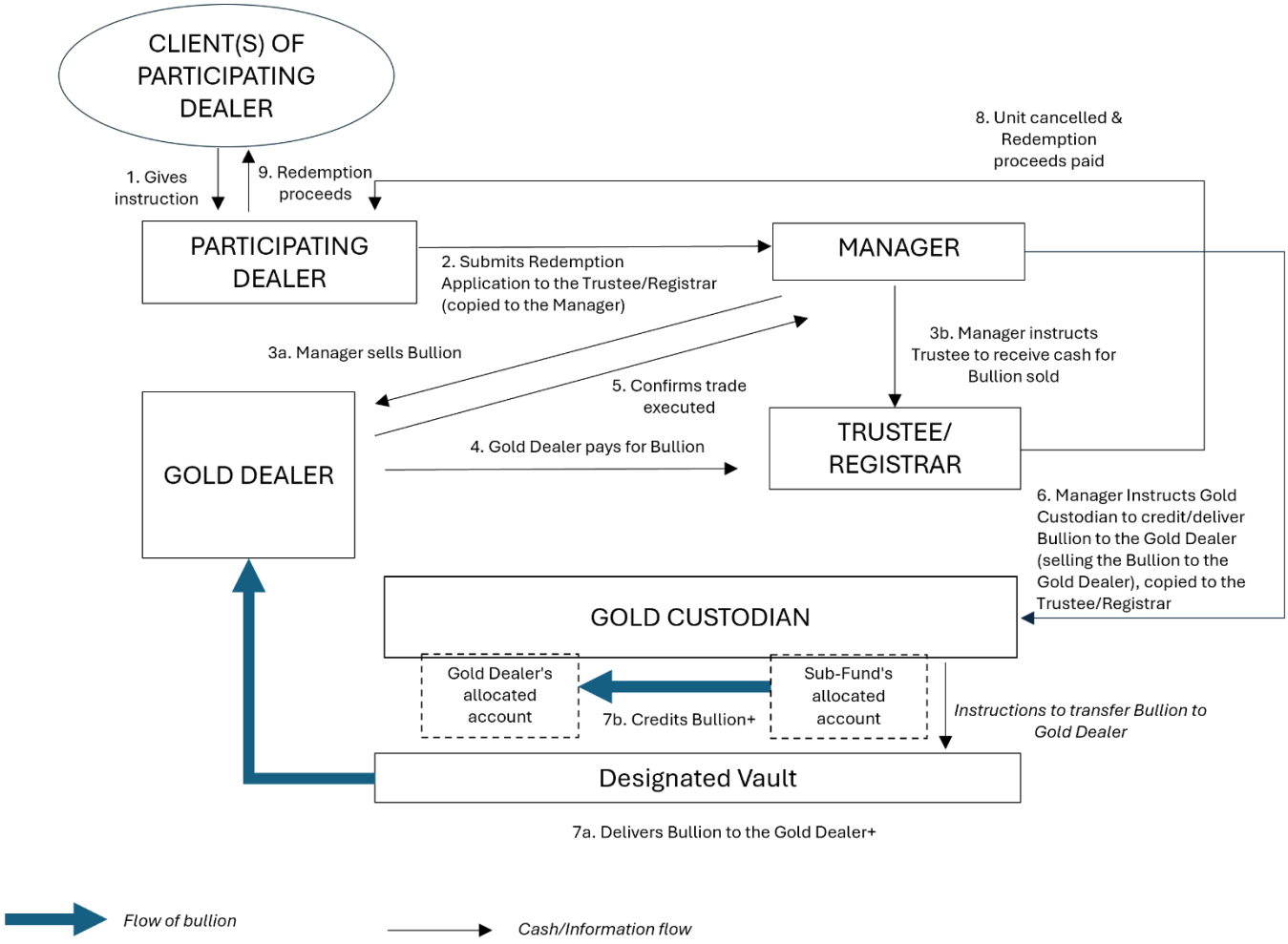
The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds will normally within 5 Business Days (or such longer period as may be notified by the Manager due to circumstances such as severe weather conditions) after the relevant Dealing Day and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value is not suspended.

If (i) a Redemption Application is received by the Trustee (with a copy to the Manager) on a day which is not a Dealing Day or (ii) after the relevant Dealing Deadline), that Redemption Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day, which shall then be the relevant Dealing Day for the purposes of that Redemption Application.

Where a Participating Dealer cannot deliver enough Listed Class of Units for a Redemption Application, the Manager may in its discretion extend the settlement period upon receipt of an

extension settlement request on such terms and conditions (including as to the payment of an Extension Fee to the Trustee) as the Manager may in its discretion determine in accordance with the Operating Guidelines.

The diagram below illustrates in simplified form the in-cash Redemption Application process:



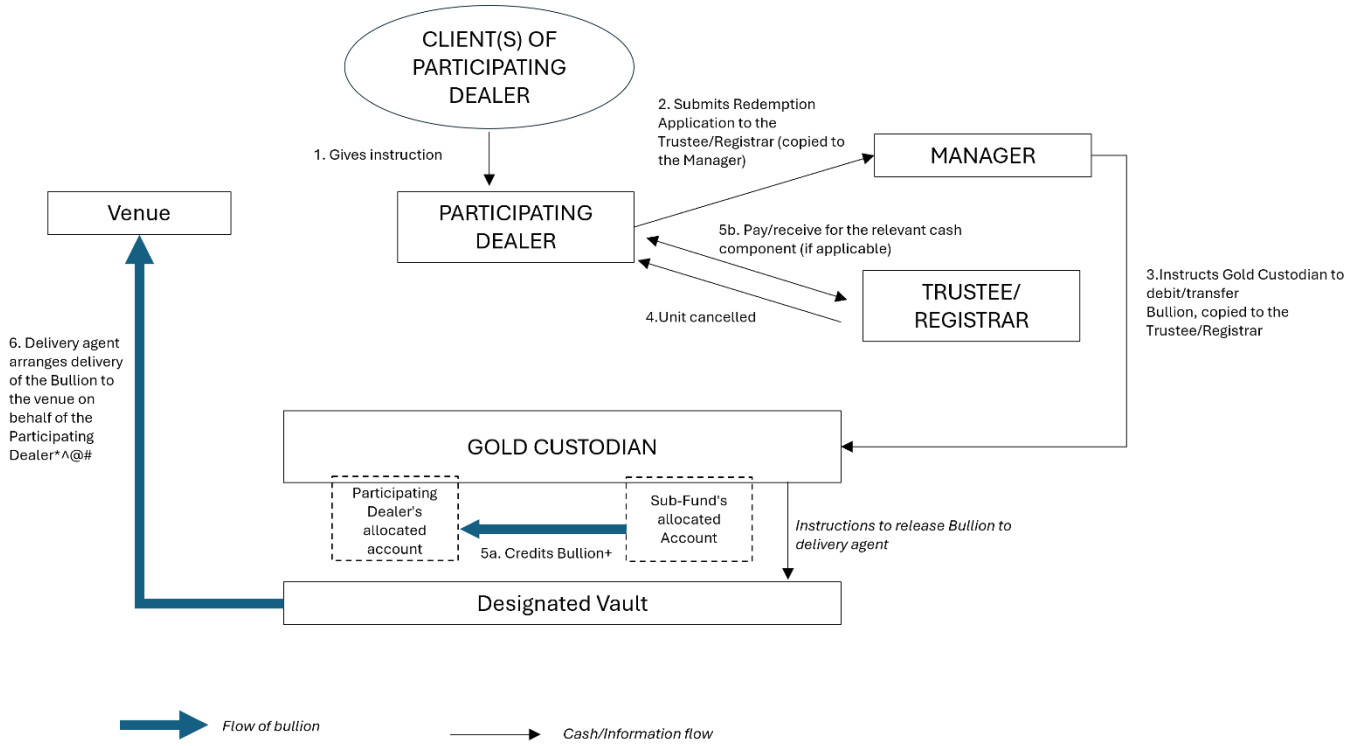
+ Transfer of Bullion from the Sub-Fund to a Gold Dealer may be by way of either: (i) direct physical delivery of Bullion to the Gold Dealer (process 7a); or (ii) credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 7b).

Direct delivery of Bullion to the Gold Dealer (process 7a) will be at the risk of the Gold Dealer. The Gold Custodian shall be held responsible for the risk for Bullion, prior to the transfer of Bullion's legal title from the Sub-Fund to the Gold Dealer, as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and the Gold Dealer's allocated account (process 7b) (if applicable) and the transfer from the Sub-Fund's unallocated account to the Sub-Fund's allocated account within the Gold Custodian (not shown) shall not change such responsibility.

For direct physical delivery of Bullion to the Gold Dealer (process 7a), the transfer of Bullion's legal title and risk from the Sub-Fund to the Gold Dealer occurs as soon as the relevant Bullion is collected from a Designated Vault. For credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 7b), the transfer of Bullion's legal title and risk from the Sub-Fund to the Gold Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account to the Gold Dealer's allocated account with the Gold Custodian. After process 7a or 7b (as the case may be), any interest in the Bullion is transferred from the Sub-Fund to the Gold Dealer.

The diagram below illustrates in simplified form the in-gold Redemption Application process for

delivering Bullion:



Transfer of Bullion from the Sub-Fund to a Participating Dealer may be by way of either: (i) direct physical delivery of Bullion to the Participating Dealer (see ^); or (ii) credit of Bullion between the Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (as shown above) (see +). The Gold Custodian shall be held responsible for the risk for Bullion, prior to the transfer of Bullion's legal title from the Sub-Fund to the Participating Dealer and/or its client, as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties.

In-gold redemption through direct physical delivery is an additional service arranged at the request of a Participating Dealer's client (which shall be arranged through the relevant Participating Dealer), which shall in turn arrange through a delivery agent appointed by such Participating Dealer. While the Manager, the Trustee, the Gold Custodian and Sub-Gold Custodian(s) (in their respective capacities as service providers of the Sub-Fund) will facilitate such request, they do not take up additional responsibilities in such capacities. Transportation of Bullion out-of-vault will be necessary, and while there is insurance coverage when gold is in-transit, there is still inherent risk of loss or theft, etc., which investors should understand before they voluntarily request in-gold redemption.

+ For credit of Bullion between the Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 5a), the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account into the Participating Dealer's allocated account within the Gold Custodian.

^ For direct physical delivery of Bullion to the Participating Dealer (process 6), they take place after process 3, in which case the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs as soon as the relevant Bullion is collected from a Designated Vault.

@ The Participating Dealer shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from the Designated Vault and delivery of the relevant Bullion to the venue designated by the Participating Dealer and subject to separate terms and conditions as applicable, at the Participating Dealer's own risk and cost for the collection and delivery of Bullion (or at its client's risk and cost for the collection and delivery by the Participating Dealer on his/her behalf, if so agreed between them).

In process 6, as soon as the relevant pieces of Bullion allocated to meet the Participating Dealer's redemption request are collected from the Designated Vault, the legal title and risk is transferred from the Gold Custodian to the Participating Dealer and/or its client and such pieces of Bullion will also cease to form part of the Sub-Fund's assets and are accordingly outside the scope of the Trustee or the Sub-Fund's responsibility.

** Process 6 assumes that the Participating Dealer has agreed with its client to pay settlement proceeds by way of delivery of Bullion to the client. (Alternatively, the Participating Dealer may agree with its client to sell the Bullion and pay the settlement proceeds by cash.) The timing of process 6 onwards shall be dependent on the agreed delivery date between the Participating Dealer and its clients.*

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section on "FEES AND EXPENSES" for further details.

In relation to redemption of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the Sub-Fund for the difference between:

(a) the prices used when valuing the Bullions of the Sub-Fund for the purpose of such redemption of Listed Class of Units; and

(b) the prices which would be used when selling the same Bullions if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Listed Class of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

No Bullion shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Listed Class of Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other deadline set forth in the Trust Deed and/or Operating Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that Listed Class of Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "FEES AND EXPENSES" for further details);

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the

Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Bullions made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section headed "FEES AND EXPENSES" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred redemption

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total Net Asset Value of Units in the Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders (in respect of Listed Class of Units) seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total Net Asset Value of Units in the Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the total Net Asset Value of Units in the Sub-Fund then in issue) in priority to any other Units in the Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed. The redemption gate applies to redemption applications in cash only for Listed Class of Units.

Suspension of creations and redemptions

For the avoidance of doubt, this section shall also apply to Special Creation Applications and Special Redemption Applications as the context may require.

The Manager may, at its discretion, after consultation with the Trustee (and where required and practicable, after consultation with Participating Dealers), having regard to the best interests of the Unitholders, suspend the creation or issue of Listed Class of Units of the Sub- Fund, suspend the redemption of Listed Class of Units of the Sub-Fund and/or (subject to the relevant requirements of the Code where payment of redemption monies exceeds one calendar month) delay the payment of any monies in respect of any Creation Application, Redemption Application or Special Application in the following circumstances:

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which the Bullion (that is a component of the Sub-Fund's Index or that relates to the Sub-Fund's Index), or in the case of Authorised Feeder Fund, any period when the market on which the relevant master fund is listed, or the official clearing and settlement depositary (if any) of such market, is closed, and (in respect of the Authorised Feeder Fund) such closure has an adverse impact on dealings in the primary market of Authorised Feeder Fund;

(c) during any period when dealing on a market on which (for an Index Tracking Sub-Fund) the Bullion (that is a component of the Sub-Fund's Index or that relates to the Sub-Fund's Index), or in the case of an Authorised Feeder Fund, any period when dealings on the market on which

the relevant master fund is listed, is restricted or suspended, and (in respect of the Authorised Feeder Fund) such restriction or suspension has an adverse impact on dealings in the primary market of the Authorised Feeder Fund;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Bullions in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Bullions, as appropriate or disposal of investments for the time being comprised in the Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the Sub-Fund, including (without limitation), in respect of an Authorised Feeder Fund, during a period when dealings in or trading of the relevant master fund is suspended;

(f) (for an Index Tracking Sub-Fund only) during any period when the Index is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the Sub-Fund or when for any other reason the value of any Bullions or other property for the time being comprised in the Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of determination of Net Asset Value" arises; or

(i) during any period when the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in respect of the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, in consultation with the Trustee, suspend the right to subscribe for Listed Class of Units of the Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Listed Class of Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer or such other percentage permitted under Schedule 1A. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Trust's website http://www.csopasset.com (this website has not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application, Creation Application or Special Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer or the Manager may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application, Redemption Application or Special Application (as the case may be) by notice in writing to the Manager (in the case of withdrawal by a Participating Dealer) and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer or the Manager (as the case may be) any cash and/or Bullions received by it in respect of the Creation Application or Special Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of unitholding

Listed Class of Units will be deposited, cleared and settled by the CCASS. Listed Class of Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Listed Class of Units deposited with the CCASS and is holding such Listed Class of Units for the CCASS participants in accordance with the General Rules of HKSCC. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Listed Class of Units. Investors owning Listed Class of Units in the CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are CCASS participants.

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Listed Class of Units are acquired or held which would result in such holding being:

(a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Listed Class of Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Funds suffering any adverse effect which the Trust or the Sub-Funds might not otherwise have suffered; or

(b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Funds incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Funds might not otherwise have incurred or suffered.

Upon notice that any Listed Class of Units are so held, the Manager may require such Unitholders to redeem or transfer such Listed Class of Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Listed Class of Units in breach of any of the above restrictions is required either to redeem his Listed Class Units in accordance with the Trust Deed or to transfer his Listed Class of Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Listed Class of Units

A Unitholder may transfer Listed Class of Units using the standard transfer form issued by SEHK or by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Unitholders of the Listed Class of Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Listed Class of Units being transferred. No Listed Class of Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding in the Sub-Fund. If and to the extent that all Units are deposited in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS.

Distribution Policy

The Manager does not intend to have the Sub-Fund pay or make any distributions or dividends.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

The purpose of the listing of the Listed Class of Units on the SEHK is to enable investors to buy and sell Listed Class of Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Listed Class of Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Listed Class of Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Listed Class of Units are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Units of the Sub-Fund. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager may make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Listed Class of Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Listed Class of Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Listed Class of Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Investments comprised within the Index of the Sub-Fund. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Sub-Fund in respect of their profits.

If you wish to buy or sell Listed Class of Units on the secondary market, you should contact your brokers.

If trading of the Listed Class of Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Listed Class of Units.

SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS

This Schedule 2 contains disclosure relating to the Unlisted Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to an Unlisted Class of Units of a Sub-Fund or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

SUBSCRIPTION OF UNLISTED CLASS OF UNITS

Initial issue of Unlisted Class of Units

During an Initial Offer Period, Unlisted Class of Units in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Unit as specified in the relevant Appendix.

If specified in the relevant Appendix, in the event that the total amount received by the Trustee from the subscription of the Unlisted Class of Units reaches a maximum amount for aggregate subscriptions (as specified in the relevant Appendix) at any time during an Initial Offer Period, the Manager is entitled (but not obliged) to close the relevant Unlisted Class of Units to further subscriptions before the end of the relevant Initial Offer Period.

If specified in the relevant Appendix, the Manager may decide not to issue any Unlisted Class of Units in the event that less than a minimum amount for aggregate subscriptions (as specified in the relevant Appendix) is raised during the relevant Initial Offer Period or if the Manager is of the opinion that it is not commercially viable to proceed. In such event subscription monies paid by an applicant will be returned by cheque by post or by telegraphic transfer or such other means as the Manager and the Trustee consider appropriate at the applicant's risk (without interest and net of expenses) promptly after the expiry of the Initial Offer Period.

Unlisted Class of Units will be issued immediately following the close of the Initial Offer Period or such other Business Day as the Manager may determine. Dealing in Units of the Unlisted Class of Units will commence on the Dealing Day immediately following the closure of the relevant Initial Offer Period.

Subsequent issue of Unlisted Class of Units

Following the close of the relevant Initial Offer Period, Unlisted Class of Units will be available for issue on each Dealing Day at the relevant Subscription Price.

Unless otherwise specified in the relevant Appendix, the Subscription Price on any Dealing Day will be the price per Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class of the Sub-Fund then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant class. The Subscription Price will be calculated and quoted in the relevant class currency of the relevant Unlisted Class of Units.

The Manager is entitled to impose a subscription fee on the subscription monies for the application for the issue of Unlisted Class of Units. Different levels of subscription fee may be imposed, in relation to the issue of such Unlisted Class of Units of different Sub-Funds and also in relation to different classes of Unlisted Class of Units of the relevant Sub-Fund. The Manager may retain the benefit of such subscription fee or may pay all or part of the subscription fee (and any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine. Details of the subscription

fee are set out in the section headed “Fees and Expenses” in the relevant Appendix.

In determining the Subscription Price, the Manager is entitled to add an amount it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the Sub-Fund, (b) fiscal and purchase charges, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, or (c) charges which are customarily incurred in investing a sum equal to the application monies and issuing the relevant Unlisted Class of Units or the remittance of money to the Trustee.

Application procedure

To subscribe for Unlisted Class of Units, an applicant should complete a subscription application form (a “Subscription Form”) and return the original Subscription Form, together with the required supporting documents, to the Trustee/Registrar by post to its business address or, if the applicant has provided to the Trustee/Registrar with an original fax indemnity in the Subscription Form, by fax to the Trustee/Registrar. The Manager may, in its absolute discretion after consultation with the Trustee, accept any applications for subscription made by other written or electronic forms in addition to post and fax.

Applications for Unlisted Class of Units during the relevant Initial Offer Period must be received by the Trustee/Registrar no later than the relevant time specified in the relevant Appendix on the last day of the relevant Initial Offer Period. After the Initial Offer Period, applications must be received by the Trustee/Registrar by the relevant Dealing Deadline. Application requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of Unlisted Class of Units but no certificates will be issued.

Applicants may apply for Unlisted Class of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Where an applicant applies for Unlisted Class of Units through a distributor, the Manager and the Trustee will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as Unitholder of the relevant Unlisted Class of Units. The Manager and the Trustee will treat the distributor (or its nominee) as the Unitholder and shall not be responsible for any arrangements between the relevant applicant and the distributor regarding the subscription, holding and redemption of Unlisted Class of Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take all reasonable care in the selection and appointment of distributors.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

The Manager may, at its discretion, reject in whole or in part any application for Unlisted Class of Units. In the event that an application is rejected, application monies will be returned without interest and net of expenses by cheque through the post or by telegraphic transfer or by such other means as the Trustee considers appropriate at the risk of the applicant.

No applications for Unlisted Class of Units will be dealt with during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see “Suspension of determination of Net Asset Value” for further details).

Payment procedure

Subscription monies should be paid in the class currency of the relevant class of Unlisted

Class of Units. Subscription monies in cleared funds should be received as agreed in the Operating Guidelines following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager. Payment details are set out in the Subscription Form.

Subscription monies paid by any person other than the applicant will not be accepted.

The Manager may exercise its discretion to accept late payment of subscription monies, provisionally allot Unlisted Class of Units by reference to the Net Asset Value of the relevant class of Units in the relevant Sub-Fund and charge interest on such overdue monies until payment is received in full, at such rate as the Manager thinks appropriate. However, if payment of subscription monies in cleared funds are not made within such period as determined by the Manager, the application may, at the discretion of the Manager, be considered void and cancelled. Upon such cancellation, the relevant Unlisted Class of Units shall be deemed never to have been issued and the applicant shall have no right to claim against the Manager, the Trustee or the Registrar and any loss will be borne by the applicant, provided that: (i) no previous valuations of the relevant Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Units; (ii) the Manager may require the applicant to pay, for the account of the relevant Sub-Fund, in respect of each such Unit cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation; and (iii) the Trustee shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

Payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant class currency, they will be converted into the relevant Class Currency and the proceeds of conversion (after deducting the costs of such conversions) will be applied in the subscription of Unlisted Class of Units in the relevant class of the relevant Sub-Fund. Conversion of currencies may involve delay. Bank charges (if any) incurred in converting the subscription monies shall be borne by the relevant applicant and accordingly will be deducted from the subscription proceeds.

General

All holdings of Unlisted Class of Units will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class of Units will be the entry on the register of Unitholders in respect of each Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details. Fractions of a Unit may be issued rounded to the nearest 4 decimal places. Subscription monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. A maximum of 4 persons may be registered as joint Unitholders.

REDEMPTION OF UNLISTED CLASS OF UNITS

Redemption procedure

Unitholders of Unlisted Class of Units who wish to redeem their Units in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Trustee/Registrar.

Any redemption request must be received by the Trustee/Registrar before the Dealing Deadline. Investors redeeming Unlisted Class of Units through a distributor (or its nominee) should submit their redemption requests to the distributor (or its nominee) in such manner as directed by the distributor (or its nominee). Distributors (or their nominees) may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Unlisted Class of Units through a distributor (or its nominee), the investor wishing to redeem such Units must ensure that the distributor (or its nominee), as the registered Unitholder, submits the relevant redemption request by the Dealing Deadline. Redemption requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

A redemption request should be given to the Trustee/Registrar in writing and sent by post to the Trustee/Registrar's business address or, if the relevant Unitholder has provided to the Trustee/Registrar with an original fax indemnity, by fax to the Trustee/Registrar (with its original following promptly). The Trustee/Registrar may, in its absolute discretion, accept any redemption requests made by other written or electronic forms in addition to post and fax. The redemption request must specify: (i) the name of the Sub-Fund, (ii) the relevant class and the value or number of Unlisted Class of Units to be redeemed, (iii) the name(s) of the registered Unitholder(s) and (iv) payment instructions for the redemption proceeds.

Partial redemption of a holding of Unlisted Class of Units in a Sub-Fund by a Unitholder may be effected, provided that such redemption will not result in the Unitholder holding Unlisted Class of Units in a class less than the minimum holding for that class specified in the relevant Appendix. In the event that, for whatever reason, a Unitholder's holding of Unlisted Class of Units in a class is less than such minimum holding for that class, the Manager may give notice requiring such Unitholder to submit a redemption request in respect of all the Unlisted Class of Units of that class held by that Unitholder. A request for a partial redemption of Unlisted Class of Units with an aggregate value of less than the minimum amount for each class of Units specified in the relevant Appendix (if any) will not be accepted.

All redemption requests must be signed by the Unitholder or, in the case of joint Unitholders, such one or more joint Unitholders who have been authorised to sign such requests on behalf of the other joint Unitholders (where such authorisation has been notified in writing to the Registrar) or, in the absence of such notification, by all joint Unitholders.

Payment of redemption proceeds

Unless otherwise specified in the relevant Appendix, the Redemption Price on any Dealing Day will be the price per Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant class. The Redemption Price will be calculated and quoted in the relevant class currency of the relevant Unlisted Class of Units

In determining the Redemption Price, the Manager is entitled to deduct an amount which it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) fiscal and sale charges, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, or (c) charges which are customarily incurred by the relevant Sub-Fund in realising assets to provide funds

to meet any redemption request.

The Manager may at its option impose a redemption fee in respect of the Unlisted Class of Units to be redeemed as described in the section headed “Fees and Expenses” in the main Prospectus. The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the redemption fee to be imposed (within the permitted limit provided in the Trust Deed) on each Unitholder.

The amount due to a Unitholder on the redemption of an Unlisted Class of Units will be the Redemption Price, less any redemption fee. The redemption fee will be retained by the Manager.

Unitholders should note that redemption proceeds will not be paid to any Unitholder until (a) the duly signed original written redemption request (if such original is required by the Trustee/Registrar) and all other supporting documents, if any are required, have been received by the Trustee/Registrar; (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee/Registrar; and (c) any such other procedures as the Trustee/Registrar may reasonably require have been completed.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder in the class currency of the relevant Unlisted Class of Units by telegraphic transfer to the Unitholder’s pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the relevant Sub-Fund’s investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the details of such legal or regulatory requirements will be set out in the relevant Appendix and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets. Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Unitholder and deducted from the redemption proceeds. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the class currency of the relevant Unlisted Class of Units of the relevant Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Unitholder. No third party payments will be made.

The Trust Deed provides that redemptions may be, in whole or in part, made *in specie* at the discretion of the Manager. However, the Manager does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. In any event, redemptions may only be made *in specie*, in whole or in part, with the consent of the Unitholder requesting the redemption.

Restrictions on redemptions

The Manager is entitled to limit the number of Unlisted Class of Units of the relevant Sub-Fund redeemed on any Dealing Day to 10% of the total number of Units of a Sub-Fund then in issue. In this event, the limitation will apply pro rata (and not on a first in-first out basis) so that Unitholders of the relevant Sub-Fund who have validly requested to redeem such Units of the relevant Sub-Fund on that Dealing Day will redeem the same proportion of such Units of the Sub-Fund. Any such Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, and will have priority on the next succeeding Dealing Day and all following Dealing Days (in relation to which the Manager has the same power) until the original request has been satisfied in full.

The Manager may suspend the redemption of Unlisted Class of Units of any Sub-Fund, or

delay the payment of redemption proceeds in respect of any redemption request received, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details please see section “Suspension of the determination of Net Asset Value").

The Manager shall also have the right to reject, acting in good faith, any redemption application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the subscription or issue of Unlisted Class of Units of the relevant Sub-Fund, (ii) the redemption of Unlisted Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the redemption application would have an adverse effect on the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Index Securities in the relevant underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(d) where acceptance of the redemption application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;

(e) processing of the redemption application is not possible due to circumstances outside the control of the Manager; or

(f) the redemption application is not submitted in the form and manner set out in the provisions of the Trust Deed.

In the event of such rejection, the Manager shall notify the Trustee of its decision to reject such redemption application.

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by an unqualified person.

Upon notice that any Unlisted Class of Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Unlisted Class of Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Unlisted Class of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager subject to the provisions of the Trust Deed.

An investor is entitled to transfer Unlisted Class of Units held by him by an instrument in writing in such form as the Trustee may from time to time approve. A transferor will be deemed to remain the Unitholder of the Unlisted Class of Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Unlisted Class of Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

Fax or electronic instructions

If applicants or Unitholders wish to give instructions for subscription, redemption or switching by facsimile or any other electronic means designated by the Trustee/Registrar, applicants or Unitholders must first provide to the Trustee/Registrar an original indemnity relating to fax or transmission via such other electronic means in the application or request.

The Trustee/Registrar will generally act on faxed or any other electronic instructions for subscription, redemption or switching but may require signed original instructions. However, the Trustee/Registrar may refuse to act on faxed or any other electronic instructions until the original written instructions are received. The Trustee/Registrar may, in its absolute discretion, determine whether or not original instructions are also required in respect of subsequent applications or requests for subscription, redemption or switching sent by facsimile or any other electronic means by applicants or Unitholders.

Applicants or Unitholders should be reminded that if they choose to send the applications or requests for subscription, redemption or switching by facsimile or any other electronic means, they bear the risk of non-receipt or delay of such applications or requests. Applicants or Unitholders should note that the Trust, the Manager, the Trustee and the Registrar accept no responsibility for any loss caused as a result of non-receipt or illegibility of any application or request sent by facsimile or any other electronic means or any amendment of such application or request or for any loss caused in respect of any action taken as a consequence of such faxed or any other electronic instruction believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or any other electronic transmission report produced by the originator of such transmission discloses that such transmission was sent.

SWITCHING OF UNLISTED CLASS OF UNITS

Unless otherwise specified in the relevant Appendix, the Manager may from time to time permit Unitholders to switch some or all of their Units of an Unlisted Class of Units of any Sub-Fund (the "Existing Class") into Units, shares or interests (as the case may be) of an Unlisted Class of Units of the same Sub-Fund or any other Sub-Fund or an unlisted class of units, shares or interests in other collective investment schemes managed by the Manager or its Connected Persons and which have been authorised by the SFC (the "New Class"). Any switching will be effected by way of redeeming the Units in the Existing Class held by the relevant Unitholders in accordance with the redemption procedures set out in the section headed "Redemption of Unlisted Class of Units" above and by re-investing the redemption proceeds thereof in the New Class in accordance with the subscription procedures set out in the section headed "Subscription of Unlisted Class of Units" above or the provisions of the relevant offering documents for such other collective investment schemes (as the case may be).

A request for the switching of part of a holding of Unlisted Class of Units will not be effected if, as a result, the Unitholder would hold less than the minimum holding specified for the New Class (if any) and/or the Existing Class.

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of Units of up to 1% of the redemption proceeds payable in respect of the Existing Class being switched. The switching fee will be deducted from amount realised from redemption of the Existing Class and reinvested in the New Class and will be paid to the Manager.

Where a request for switching is received by the Trustee prior to the Dealing Deadline in respect of a Dealing Day, switching will be effected as follows:

(a) redemption of the Units of the Existing Class will be dealt with by reference to the Redemption Price on that Dealing Day (the "Switching Redemption Day") subject to paragraph (c) below;

(b) where the Existing Class and the New Class have different currencies of denomination, the redemption proceeds of Existing Class, after deduction of any switching fee, shall be converted into the currency of denomination of the New Class; and

(c) the resulting amount will be used to subscribe for units, shares or interests (as the case may be) of the New Class at the relevant subscription price on the relevant dealing day in respect of the New Class (the "Switching Subscription Day"). The Switching Subscription Day shall be the same day as the Switching Redemption Day (in the case where the relevant Dealing Day of the Existing Class is not a dealing day in respect of the New Class, the Switching Redemption Day will be the immediately following Dealing Day that is a dealing day for the New Class), provided that the Trustee shall receive cleared funds in the relevant currency of the New Class within such period as determined by the Manager. In the event that cleared funds are not received within the applicable period, the Switching Subscription Day shall be the day on which the Trustee receives cleared funds in the relevant currency by the dealing deadline of the New Class, unless otherwise determined by the Manager.

The Manager may suspend the switching of Unlisted Class of Units during any period in which the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for details see "Suspension of determination of Net Asset Value" for further details).

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

SUSPENSION OF THE ISSUE, SUBSCRIPTION AND REDEMPTION OF UNLISTED CLASS OF UNITS

The Manager may, after consultation with the Trustee, having regard to the best interests of Unitholders, suspend the issue and/or switching and/or redemption of Unlisted Class of Units of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and/or transfer of any Securities to persons who have redeemed Unlisted Class of Units of any Sub-Fund in the following circumstances

(a) during any period when trading on the SEHK is restricted or suspended;

(b) during any period when a market on which (i) for an Index Tracking Sub-Fund, an Index Security (that is a component of the relevant underlying Index) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investment of such Sub-Fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, an Index Security (that is a component of the relevant underlying Index) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the investments of such Sub-Fund has its primary listing, is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of (i) (for an Index Tracking Sub-Fund) Index Securities or (ii) (for a Non-Index Tracking Sub-Fund) Securities comprising such Sub-Fund in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during any period when the determination of the Net Asset Value of any Sub-Fund is suspended or if any circumstance specified in section “Suspension of the determination of Net Asset Value” arises;

(f) in the case of a Sub-Fund authorised by the SFC as a feeder fund and investing into a master fund –

  (i) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depositary (if any) of such market is closed;
  (ii) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;
  (iii) during any period when trading of the master fund on the relevant market is restricted or suspended; or
  (iv) during any period when the determination of the net asset value of the master fund is suspended.

The Manager will, after giving notice to the Trustee, suspend the right to subscribe for Unlisted Class of Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Unlisted Class of Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10 per cent. of the ordinary shares issued by any single issuer. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10 per cent. of the ordinary shares issued by any single issuer, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on it’s website at www.csopasset.com or in such other publications as it decides.

The Manager shall consider any subscription, switch or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each of Sub-Fund established under the Trust and listed on the SEHK (in respect of its Listed Class of Units). It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails, however, is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to "Sub-Fund" refer to the relevant Sub-Fund which is the subject of that Appendix. References in each Appendix to "Index" refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1: ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF

Interpretation

For the purpose of this Appendix 1, the following words and expressions have the following meanings:

"Chinese Government Bonds" means the RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance (中華人民共和國財政部) of the PRC mainland and distributed within the PRC mainland.

"CSRC" means the China Securities Regulatory Commission or its successor.

"PBOC" means the People's Bank of China.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"Urban Investment Bonds" (城投債) means debt instruments issued by local government financing vehicles ("LGFVs") in the PRC mainland listed bond markets and inter-bank bond market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investments or infrastructure projects.

Key Information

Set out below is a summary of key information in respect of ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Strategy	Representative sampling strategy (refer to the "What is the Investment Strategy" section below)
Index	FTSE Chinese Government and Policy Bank Bond Index (the "Index") Base Date: 31 December 2010 Number of constituents: 232 (27 February 2026) Total Market Capitalisation: RMB48.67 trillion (27 February 2026) Base Currency: RMB Index Provider: FTSE Fixed Income LLC Index Type: Total return index
Base Currency	Renminbi (RMB)
Distribution Policy	Quarterly at the discretion of the Manager. The Manager currently intends to distribute in January, April, July and October of each year. There is no guarantee of regular distribution and, if distribution is

	made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Units (whether RMB or HKD traded Units) will receive distributions in RMB only.**[#]
Financial Year End	31 December
Website	http://www.csopasset.com/en/products/china-bond*

[#] Both HKD traded Units and RMB traded Units will receive distributions in RMB only. In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and to consider the risk factor "RMB distributions risk" below.

[*] The contents of this website and any other websites referred to in this Appendix have not been reviewed by the SFC and may contain information which is not targeted to Hong Kong investors.

Key information applicable to Listed Class of Units only

Listing Date (SEHK)	19 February 2014
Exchange Listing	SEHK – Main Board
Stock Code	83199 – RMB counter 3199 – HKD counter

Short Stock Name	ICBCCSOP CGPB-R – RMB counter ICBCCSOP CGPB – HKD counter
Trading Board Lot Size	20 Units – RMB counter 20 Units – HKD counter
Trading Currencies	Renminbi (RMB) – RMB counter HKD (HKD) – HKD counter
Dealing Deadline	2:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Trustee may determine
Creation / Redemption Policy	Cash (RMB only)
Application Unit Size (only Participating Dealers)	Minimum 30,000 Units or such other number of Units as the Manager may determine and approved by the Trustee
Management Fee	0.28% p.a. of the Net Asset Value calculated daily
Market Makers (HKD Counter / RMB Counter)	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.

Key information applicable to Unlisted Class of Units only

Unlisted Class of Units Offered	Class A Units Class P Units	
Minimum initial investment	Class A Units: Class P Units:	RMB10 or equivalent USD10 million or equivalent
Minimum subsequent investment	Class A Units: Class P Units	RMB10 or equivalent USD2 million or equivalent
Minimum holding	Class A Units: Class P Units:	RMB10 or equivalent USD10 million or equivalent
Minimum redemption	Class A Units: Class P Units:	RMB10 or equivalent USD2 million or equivalent

Dealing Deadline	3:00 p.m. (Hong Kong time) on each Dealing Day, or such other time as the Manager in consultation with the Trustee may determine
Management Fee	For Class A Units, the current rate is 0.28% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.20% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the "What is the Investment Objective" and "What is the Investment Strategy?" section of this Appendix.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the "Determination of Net Asset Value" section in Part 1 of this Prospectus.
Dealing Arrangements	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Investors should note that the dealing deadlines in respect of Listed and Unlisted Class of Units are different, subject to the applicable valuation point. In respect of the Listed Class of Units: - The Dealing Deadline is 2:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Trustee may determine on any day. - a Secondary Market Investor may buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price. In respect of the Unlisted Class of Units, the Dealing Deadline is 3:00 p.m. (Hong Kong time) on each Dealing Day, or such other time as the Manager in consultation with

	the Trustee may determine on any day. Investors can buy or sell the Unlisted Class of Units at Net Asset Value. Please refer to Schedule 1 "Provisions relating to the Offer, Creation, Redemption, Listing and Trading of the Listed Class of Units" and Schedule 2 "Provisions relating to the Offer, Subscription, Conversion and Redemption of the Unlisted Class of Units" of Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Class of Units respectively.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Class of Units – the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day and if more than 1, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Both the Listed Class of Units and the Unlisted Class of Units employ a single management fee structure, i.e. all fees, costs and expenses attributable to the relevant class are paid out of the relevant class as a single flat fee, being the Management Fee. For Listed Class of Units, the current Management Fee is 0.28% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current Management Fee is 0.28% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day.

	For Class P Units, the current Management Fee is 0.20% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's Fee, transaction costs etc). An investment in the Unlisted Class of Units is subject to the payment of subscription fees. Please refer to the "Fees and Expenses" section of this Appendix.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and charges, stamp duty. Please refer to the risk factor on "Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units" in Part 1 of this Prospectus for further details.
Termination	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" in Part 1 of this Prospectus for further details.

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index.

There can be no assurance that the Sub-Fund will achieve its investment objective.

The Index of the Sub-Fund may be changed by prior approval of the SFC and notice to Unitholders.

What is the Investment Strategy?

The Sub-Fund adopts a representative sampling strategy to achieve its investment objective.

A representative sampling strategy involves investing in a representative sample of Securities that collectively has an investment profile that reflects the profile of the Index.

It is intended that the Sub-Fund will invest up to 100% of its Net Asset Value in the Chinese Government Bonds and Policy Bank Bonds included in the Index through the QFI status of the Manager and/or the Bond Connect (as described below).

As the Index comprises only Chinese Government Bonds and Policy Bank Bonds, there is no credit rating requirement for inclusion in the Index. The credit rating of the PRC mainland government, China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China as the issuers of Chinese Government Bonds and Policy Bank Bonds are A+ by Standard & Poor's and A1 by Moody's.

The Sub-Fund may or may not hold all of the Chinese Government Bonds and Policy Bank Bonds that are included in the Index, and may hold Chinese Government Bonds and Policy Bank Bonds which are not included in the Index, provided that these bonds collectively feature a high correlation with the Index.

The Sub-Fund currently intends to invest in bonds via the inter-bank bond market, Shanghai Stock Exchange and/or Shenzhen Stock Exchange. Such trades are on delivery versus payment basis i.e. the Sub-Fund will only pay the counterparty upon receipt of the securities.

The Sub-Fund's portfolio will be rebalanced monthly or upon each creation or redemption.

The Manager and the Investment Advisor (as applicable) will consider the liquidity, maturity date and years to maturity of the bonds when adopting the representative sampling strategy. The Manager and the Investment Advisor believes that a representative sampling strategy is more appropriate in view of the comparative illiquidity of certain Securities in the Index which may be experienced with certain Securities comprised in the Index.

The Manager may also invest up to 10% of the Net Asset Value of the Sub-Fund in money market funds which are either authorised by the SFC or eligible schemes as determined by the SFC. The Sub-Fund will not seek to have any exposure to equity or convertible securities.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1. In particular, Chapters 7.4 and 7.5 of the Code applies to the Sub-Fund such that:

(a) Notwithstanding Chapters 7.1, 7.1A and 7.2 of the Code, up to 30% of the Net Asset Value of the Sub-Fund may be invested in Government and other Public Securities of the same issue; and

(b) Subject to Chapter 7.4 of the Code, the Sub-Fund may invest all of its assets in Government and other Public Securities in at least 6 different issues.

There is no current intention for the Sub-Fund to:

(a) invest in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes;

(b) invest in Urban Investment Bonds（城投債）;

(c) invest in structured products or instruments, structured deposits, asset backed securities, asset backed commercial papers and mortgage back securities; or

(d) engage in securities lending, sale and repurchase transactions and reverse repurchase transactions, but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than 1 month's prior notice will be given to the Unitholders.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager and the Investment Advisor (as applicable) wishes to change the investment strategy of the Sub-Fund unless such changes satisfy the overriding principles and requirements prescribed by the SFC from time to time and be considered as immaterial changes.

Investment and Borrowing Restrictions

The Sub-Fund must comply with the investment and borrowing restrictions as summarised in Part 1 of this Prospectus (which includes a summary of the investment restrictions set out in the Trust Deed).

What is the QFI Regime?

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "QFI Regulations")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, foreign investors can invest only in the domestic

securities and/or futures market through certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets.

The Sub-Fund will obtain exposure to securities issued within the PRC mainland through the QFI status of the Manager. The Manager has obtained QFI status in the PRC mainland

All of the Sub-Fund's assets in the PRC mainland acquired through or in connection with the QFI status of the Manager (including onshore PRC cash deposits, its onshore PRC Government and Policy Bank Bonds portfolio and other PRC onshore investments) will be held by the PRC Custodian in accordance with the terms of the PRC Custody Agreement and PRC Participation Agreement. Securities account(s) has/have been opened with the relevant depository(ies) in the joint names of the Manager (as the QFI holder) and the Sub-Fund. An RMB special deposit account has also been established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with the relevant depository(ies) for trade settlement according to applicable regulations.

The Manager has obtained a legal opinion confirming that, as a matter of PRC mainland law:

(a) securities account(s) with the relevant depository(ies) and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "Securities Account(s)" and the "Cash Account(s)") have been opened in the joint names of the Manager (as RQFII holder) and the Sub-Fund and for the sole benefit and use of the Sub-Fund in accordance with all applicable laws and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(b) the assets held/credited in the Securities Account(s) (i) belong solely to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), the Custodian or the PRC Custodian, and from the assets of other clients of the Manager (as RQFII holder), the Custodian and the PRC Custodian;

(c) the assets held/credited in the Cash Account(s) (i) become an unsecured debt owing from the PRC Custodian to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), and from the assets of other clients of the Manager (as RQFII holder);

(d) the Trustee, for and on behalf of the Sub-Fund, is the only entity which has a valid claim of ownership over the assets in the Securities Account(s) and the debt in the amount deposited in the Cash Account(s) of the Sub-Fund;

(e) if the Manager is liquidated, the assets contained in the Securities Account(s) and Cash Account(s) of the Sub-Fund will not form part of the liquidation assets of the Manager in liquidation in the PRC mainland; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the Securities Account(s) of the Sub-Fund will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the Cash Account(s) of the Sub-Fund will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the Sub-Fund will become an unsecured creditor for the amount deposited in the Cash Account(s).

Repatriations in RMB conducted by the Manager as QFI on behalf of the Sub-Fund are permitted daily and are not subject to any lock-up periods or prior approval.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors in the section on "Risk Factors specific to the Sub-Fund" below.

What is Bond Connect?

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between

Hong Kong and Chinese Mainland ("Bond Connect") established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), CCDC, SHCH, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.
Bond Connect is governed by rules and regulations as promulgated by the PRC mainland authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- the "Interim Measures for the Administration of Mutual Bond Market Access between Chinese Mainland and Hong Kong (Decree No.1 [2017])" (內地與香港債券市場互聯互通合作管理暫行辦法(中國人民銀行令 [2017] 第1號)) issued by the PBOC on 21 June 2017;

- the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" (中國人民銀行上海總部"債券通"北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and

- any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Chinese Mainland, eligible foreign investors will be allowed to invest in the bonds circulated in the PRC mainland inter-bank bond market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Chinese Mainland, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the CCDC and SHCH). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

The Offshore RMB Market

What Led to RMB Internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 9.8% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. The International Monetary Fund has projected that the PRC mainland will contribute to more than one-third of global growth by 2015. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities.

Accelerating the Pace of RMB Internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong. As of the end of December 2017, there are 137 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB599.14 billion, as compared to just RMB63 billion in 2009.

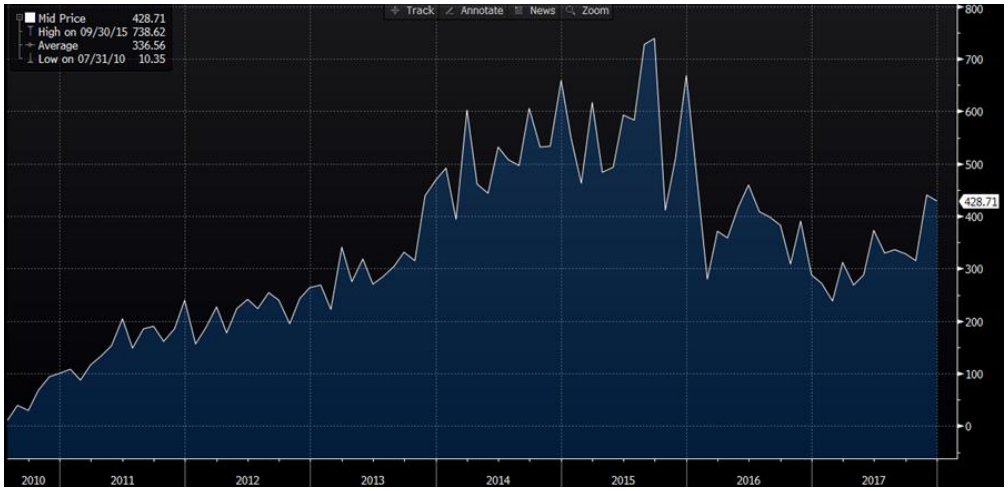
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of 31 December 2017

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/4 Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities on the PRC mainland and to all countries/ regions overseas. In the year of 2017, nearly RMB3,926.45 billion worth of cross-border trade was settled in Hong Kong using RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of 31 December 2017

Onshore versus Offshore RMB Market

Following a series of policies introduced by the PRC mainland authorities, an RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which

distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the 2 RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past 2 years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity. There have been talks on the potential convergence of the 2 RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain 2 segregated, but highly related, markets for the next few years.

Recent Measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, with respect to the lifting of restrictions on interbank transfer of RMB funds and, as well as granting permission for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of the PRC mainland’s interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the QFI scheme and the launch of an ETF with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

RMB Internationalisation is a Long-term Goal

Given the PRC mainland’s economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar’s main reserve currency status for some time to come.

Overview of PRC Mainland Bond Market

The PRC mainland’s domestic bond market primarily consists of two markets: the inter-bank bond market and the exchange-traded bond market. Despite some interconnections amongst them, these markets are differentiated by investor segmentation, product segmentation and regulatory separation.

Currently, the inter-bank bond market is much larger in terms of trading volume and is relatively more liquid than the exchange-traded bond market. With its dominant market position, the inter-

bank bond market accounts for more than 85% of the total bonds outstanding as of 31 December 2018.

Some key information on the two markets is set out below.

Key Information on these markets

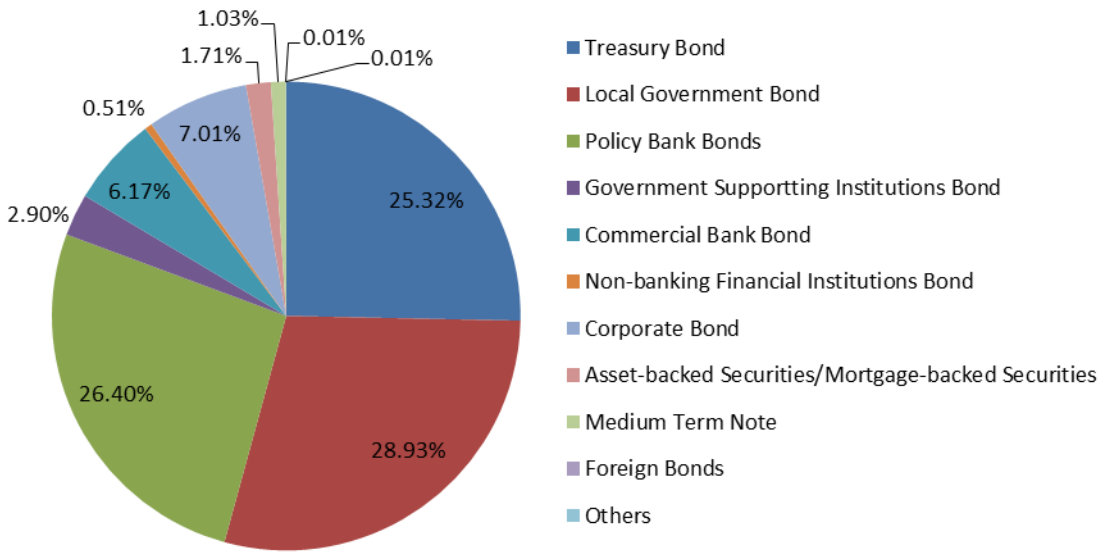
	Inter-bank bond market	**Exchange-traded bond market**
Market size	Approximately RMB67.5 trillion, as at 31 December 2018 (source: CCDC and Shanghai Clearing House)	Approximately RMB9 trillion, as at 31 December 2018 (source: CCDC and Shanghai Clearing House)
Major types of products traded	Chinese Government Bonds and Policy Bank Bonds, bonds issued by PBOC, financial bonds, enterprise bonds, commercial papers, medium term notes, local government bonds and asset-backed securities	Treasury bonds, local government bonds, enterprise bonds, corporate bonds and convertible bonds
Key market participants	Commercial banks, insurance companies, mutual funds, security companies, foreign investors with QFI status or via CIBM and Bond Connect	Commercial banks, insurance companies, mutual funds, security companies, foreign investors with QFII or RQFII status or via CIBM, corporations and individual investors
Trading hours	9:00 a.m. to 12:00 p.m. and 1:30 p.m. to 4:30 p.m. (Hong Kong time)	9:00 a.m. to 11:00 a.m. and 1:00 p.m. to 3:00 p.m. (Hong Kong time)
Trading and settlement mechanism	Trading mechanism: a quote-driven over-the-counter market between institutional investors Settlement mechanism: primarily delivery versus payment ("DVP"), on either a T+0 or T+1 settlement cycle	Trading an electronic automatic matching system where securities are traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange Settlement mechanism: clearing and settlement are through the China Securities Depository and Clearing Co., Ltd (中國證券登記結算有限責任公司) (the "CSDCC") on T+1 settlement cycle
Regulator	PBOC	CSRC
Counterparty with whom investors will trade	The trading counterparty (i.e. the other market participants)	CSDCC, which acts as the central counterparty to all securities transactions on the Shanghai and Shenzhen stock exchanges
Central clearing	CCDC (中央國債登記結算公司), Shanghai Clearing House	CSDCC
Liquidity	Total trading volume in the 12 months to 31 December 2018 was approximately RMB149.8 trillion (source: CCDC)	Total trading volume in the 12 months to 31 December 2018 was approximately RMB1.7 trillion (source: CCDC)
Associated risks	Interest rate risk, credit risk, counterparty risk	Interest rate risk, credit risk, liquidity risk
Minimum rating	No requirement	No requirement

requirements	However, market participants typically require a rating of at least BBB given by a local credit rating agency.	However, if upon listing a corporate bond or enterprise bond does not have a credit rating of at least "AA" given by a local credit rating agency, then such bond can only be traded on the fixed income electronic platform of the relevant exchange (固定收益證券綜合電子平臺), which is open only to institutional investors. Bonds that do not satisfy this minimum requirement cannot be traded via the quote-driven platform (競價交易系統), which is open to all investors, including retail investors.
Types of debt instruments commonly seen and the issuers	Chinese Government Bonds: issued by Ministry of Finance of the PRC mainland Bonds issued by PBOC Policy Bank Bonds: issued by PRC mainland policy banks (China Development Bank, Agricultural Development Bank of China and Export-Import Bank of China) Financial bonds: issued by commercial banks and other financial institutions Non-financial credit bonds: issued by state-owned or state-held entities and corporates Local government bonds: issued by local provinces or cities Foreign bonds: issued by foreign entities	Treasury bonds: issued by Ministry of Finance Local government bonds: issued by local provinces or cities Enterprise bonds: issued by government-related, state-owned or state-held entities Corporate bonds: issued by listed companies Convertible bonds: issued by listed companies

As at the end of July 2013, the inter-bank bond market had a diversified investor base with over 10,000 members, approximately 5,000 of which have direct access to the centralised trading system, which covers all types of financial institutions such as commercial banks, securities firms, fund houses, insurance companies and various kinds of investment products like mutual funds and pension funds. The remaining approximately 5,000 members, which include small financial institutions and non-financial enterprises, gain access to the market through settlement agencies.

The major types of bonds available in the PRC mainland inter-bank bond market can be grouped into six broad categories: (i) Chinese Government Bonds issued by Ministry of Finance of the PRC mainland; (ii) bonds issued by the PBOC; (iii) Policy bank bonds issued by policy banks, including China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China; (iv) Financial bonds, including commercial bank bonds and non-bank financial institution bonds; (v) Non-financial credit bonds issued by non-financial institution corporates, including enterprise bonds, commercial papers ("CP"), and medium-term notes ("MTN"); (vi) other types of bonds such as local government bonds issued by provincial or city government, government supporting institutional bonds issued by Central Huijin Investment Limited, China Railway Corporation and Ministry of Railway, foreign bonds issued by foreign entities, asset-backed securities and mortgage-backed securities, etc.

The below graph illustrates the breakdown of various types of instruments in the inter-bank bond market (sources: CCDC and Shanghai Clearing House as of 31 December 2017):



The yields of major debt instruments in the inter-bank bond market are as follows (the below yields are general averages for reference only as at 31 December 2017) (source: CCDC):

Years to Maturity	PRC mainland Treasury Bonds	China Development Bank Bonds
1	3.79%	4.68%
2	3.78%	4.75%
3	3.78%	4.79%
5	3.84%	4.81%
7	3.90%	4.98%
10	3.88%	4.82%
15	4.18%	5.04%
20	4.22%	5.16%
30	4.37%	5.17%

Years to Maturity	Corporate Bonds		
	AAA[1]	AA+[1]	AA[1]
1	5.22%	5.50%	5.70%
2	5.24%	5.49%	5.69%

3	5.29%	5.54%	5.74%
5	5.42%	5.67%	5.87%
7	5.44%	5.75%	6.05%
10	5.45%	5.76%	6.06%
15	5.51%	5.82%	6.12%
20	5.61%	5.92%	6.22%
30	5.63%	5.94%	6.24%

[1] The sources of credit rating include Dagong Global, China Cheng Xin International, China Lianhe and Shanghai Brilliance Credit Rating. Investors may obtain more information on rating methodologies from the websites of the above PRC mainland local credit agencies. Investors should, however, exercise caution when referring to PRC mainland local credit ratings of bonds, as the local credit ratings industry in the PRC mainland is still in an early development stage. Due to the lack of historical data and slow response to credit events, the rating methodologies used by PRC mainland local credit agencies, whilst they may in general be similar to those adopted by international credit rating agencies, may be driven by domestic factors rather than more quantitative methods.

Investors should note that the yields as set out in the above tables are not indicative of the expected return of the Sub-Fund. There is no assurance that the Sub-Fund's return will correlate with the expected yield of its underlying investment or the yield of the Index.

Overview of Chinese Government Bonds

Chinese Government Bonds is debt instrument issued by Ministry of Finance of the PRC mainland. The outstanding amount of Chinese Government Bonds is approximately RMB22.2 trillion, comprising 16.8% of onshore Chinese bonds (over RMB132 trillion) as at 24 March 2022. Chinese Government Bonds has a wide range of tenors and is one of the most liquid types of bonds in the secondary market. For the year of 2021, the daily average trading volume of Chinese Government Bonds is RMB150-250 billion. With the approval of the National People's Congress, Chinese Government Bonds are backed by the PRC mainland sovereign's credit (A+ by Standard & Poor's and A1 by Moody's).

	Chinese Government Bonds (Book-entry)
Market capitalisation	Approximately RMB22.2 trillion, as at 24 March 2022 (source: Bloomberg)
Bonds issuer	Ministry of Finance / PRC mainland
Key market participants	Institutional investors
Major tenors	From 3 months to 50 years
Trading platform	Inter-bank market, exchange market
Liquidity	Good

Clearing	CCDC, CSDCC

There are mainly three types of Chinese Government Bonds: Book-entry Chinese Government Bonds （記賬式國債）, Certificate Chinese Government Bonds（憑證式國債）and Electronic Savings Chinese Government Bonds（電子式儲蓄國債）. The target investors of Certificate Chinese Government Bonds (which can be purchased at retail bank counters only) and Electronic Savings Chinese Government Bonds (which can be purchased at retail bank counters or online banking systems) are mainly PRC mainland retail investors, whereas Book-entry Chinese Government Bonds are targeted at institutional market participants, including the Sub-Fund. Institutional investors are not allowed to purchase Electronic Savings Chinese Government Bonds.

Book-entry Chinese Government Bonds are offered in the primary market by using the PBOC tender system where authorised participants including commercial banks, securities houses and insurance companies can participate and acquire an allocation. Regarding the secondary market, security houses can transfer some of their primary market inventory to stock exchanges for secondary market trading. However, the majority of the secondary liquidity is offered by the inter-bank bond market where different participants transact on an over-the-counter basis. Buyers and sellers can transact directly with agreed price and volume.

Market makers facilitate the secondary market trading by actively quoting bid and offer prices of bonds and acting as counterparties to market participants, while brokers perform the same role by actively providing bonds quotations to proactively match those from potential buyers and sellers.

Trades can also be done without brokers. Investors can approach potential counterparties through their traders and do trades directly with their counterparties.

Overview of Policy Bank Bond

“Policy banks” refers to those financial institutions which were established by the Policy Banks Law of 1994 to implement the state policies for financing state-invested projects, promoting industries, and supporting economic and trade development. There are three policy banks: the China Development Bank (“CDB”), the Export-Import Bank of China (“Chexim”) and the Agricultural Development Bank of China (“ADBC”). All of them are wholly owned by the state and under the direct jurisdiction of the State Council of the PRC mainland, meanwhile CDB specialises in large infrastructure financing, including most of the funding for Shanghai Pudong International Airport and the Three Gorges Dam; Chexim focuses on trade financing and government concessional loans, and ADBC provides funds for agricultural development projects in rural areas.

All three policy banks fund themselves mainly through bond issuances in the PRC mainland domestic market. As of 24 March 2022, the value of outstanding bonds issued by policy banks was approximately RMB20.6 trillion, comprising approximately 15.6% of onshore China bond market. Among the three policy banks, CDB has RMB10.6 trillion outstanding, Chexim has RMB4.1 trillion and ADBC has RMB5.9 trillion.. For the year of 2021, the daily average trading volume of Policy Bank Bonds was approximately RMB300-400 billion. Policy bank bonds have the same credit ratings of the relevant policy banks. All three policy banks have the credit rating as the PRC mainland sovereign, which are A+ by Standard & Poor’s and A1 by Moody’s. In the PRC mainland market, Chinese Government Bonds, Policy Bank Bonds, as well as PBOC bills are called interest rate bonds, by reference to the low risk of credit risk or default.

Policy Bank Bond Issuer	**China Development Bank**	**The Export-Import Bank of China**	**Agricultural Development Bank of China**

Market capitalisation	Approximately RMB 10.6 trillion, as of 24 March 2022 (source: Bloomberg)	Approximately RMB4.1 trillion, as of 24 March 2022 (source: Bloomberg)	Approximately RMB5.9 trillion, as of 24 March 2022 (source: Bloomberg)
Key market participants	Institutional investors	Institutional investors	Institutional investors
Major tenors	From 1 year to 10 years	From 1 year to 10 years	From 1 year to 10 years
Trading platform	Inter-bank market	Inter-bank market	Inter-bank market
Liquidity	Good	Good	Good
Clearing	CCDC	CCDC	CCDC

Similar to Chinese Government Bonds, Policy Banks Bonds are offered in the primary market by using the PBOC tender system. The main tenor of Policy Bank Bond issuance is from 1 year to 10 years, although there are also shorter-than-one-year bills offer and longer-than-ten-year long bond offer. Most of them are traded in the inter-bank bond market under CCDC clearing. The main investors of Policy Bank Bonds are commercial banks, funds, insurance companies and securities houses.

Market makers facilitate the secondary market trading by actively quoting bid and offer prices of bonds and acting as counterparties to market participants, while brokers perform the same role by actively providing bonds quotations to proactively match those from potential buyers and sellers. Trades can also be done without brokers. Investors can approach potential counterparties through their traders and do trades directly with their counterparties.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The FTSE Chinese Government and Policy Bank Bond Index is a market capitalisation-weighted index and measures the performance of RMB-denominated fixed-rate book-entry government bonds and policy bank bonds issued in Chinese Mainland. The eligible Chinese policy bank bonds are those issued by the China Development Bank, the Agricultural Development Bank of China, and the Export-Import Bank of China. These policy banks are state-owned and their objectives typically include providing social benefit, stimulating the economy, and supporting growing local industries. Any bonds whose maturity is greater than 30 years from issuance and bonds issued prior to January 1, 2005 are excluded from the Index.

The Index is a total return index, meaning that the performance of the index is calculated on the basis that any dividends or distributions are reinvested. The Index was launched in February 2014 and had an initial level of 100 on 31 December 2010. The Index is compiled and managed by FTSE Fixed Income LLC. The Index is denominated and quoted in RMB. As at 27 February 2026, the Index had a market capitalisation of RMB48.67 trillion and 232 constituents.

The Manager, the Investment Advisor (or their respective Connected Persons) is independent of the Index Provider.

Index Design Criteria

Coupon	Fixed-rate
Minimum maturity	At least one year
Minimum issue size	Chinese Government Bonds: CNY 35 billion (issued on or after 01 Jan 2020), CNY 100 billion (issued before 01 Jan 2020);
Composition	Chinese Government Bonds: Includes fixed-rate book-entry government bonds. Excludes zero-coupon bonds, saving bonds, special government bonds, bonds with maturity greater than 30 years from issuance, and bonds issued prior to January 1, 2005. Policy Bank Bonds: Includes bonds issued by the three Chinese policy banks (the China Development Bank, the Agricultural Development Bank of China, and the Export-Import Bank of China). Excludes central bank bills, private placements, callable and putable bonds, bonds with maturity greater than 30 years from issuance, and bonds issued prior to January 1, 2005.

Index Calculation Methodology

Weighting	Market capitalization
Rebalancing	Once a month at the end of the month
Reinvestment of cash flow	At daily average of the savings deposit rate published by the People's Bank of China, calculated from the actual scheduled payment date of the cash flow
Pricing	Refinitiv
Calculation frequency	Daily
Settlement date	Monthly – Settlement is on the last calendar day of the month. Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day
Fixing date	Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. Each year's scheduled fixing dates are published on the website.
Base date	December 31, 2010

Holiday Calendar

The Index is calculated daily Monday through Friday except Christmas Day and New Year's Day. Each local market will observe its own holiday calendar; if a local market is on holiday, the closing prices used for that day will be the closing prices from the previous day.

Return Computation

Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue's total rate of return is the percentage change in its total value over the measurement period. The components of total return for each security are price change, principal payments, coupon payments, accrued interest, and reinvestment income on intra- month cash flows. The total returns are market capitalisation-weighted using the security's beginning- of-period market value.

Total rate of return calculation methodology

Beginning-of-period value	-	(Beginning price + Beginning accrued) x Beginning par amount outstanding
End-of-period value	-	[(Ending price + Ending accrued) x (Beginning par amount outstanding – Principal payments)] + Coupon payments + Principal payments + Reinvestment income
Total rate of return (%)	-	[(End-of-period value / Beginning-of-period value) – 1] x 100

Index constituents and additional information

The last closing index level, constituents of the Index together with their respective weightings and other important news can be accessed on www.ftserussell.com (this website has not been reviewed by the SFC). Real-time update of the Index can be obtained through information vendors Bloomberg and Reuters (the Index's Bloomberg ticker is CFIICNGL and Reuters Code is SBCNGL). The latest information of the Index is available at: https://www.yieldbook.com/x/ixFactSheet/factsheet_monthly_cngpbi.pdf. The latest constituents of the Index is published monthly at https://www.yieldbook.com/x/ixFactSheet/factsheet_monthly_i_cngpbi_en_US.pdf.

Tracking Error

An index is a theoretical financial calculation based on the performance of particular components that make up the index, whereas the Sub-Fund is an actual investment portfolio. The performance of the Sub-Fund and its Index may be different due to transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Sub-Fund's portfolio and the Index. These differences may result for example from legal restrictions affecting the ability of the Sub-Fund to purchase or dispose of Securities or the employment of a representative sampling strategy.

The use of a representative sampling strategy can be expected to result in greater tracking error than a full replication strategy. The consequences of tracking error are described in more detail in "Tracking error risk" under the section "Risk Factors Specific to the Sub-Fund" below.

Index Licence Agreement

The Manager has entered into a licence agreement with the Index Provider. The term of the licence agreement commenced on 1 June 2022 and should remain in full force and effect for 1 year. The licence agreement should renew automatically for 1 year term, subject to the terms of the licence agreement.

Index Disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE Chinese Government and Policy Bank Bond Index vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

The Index is calculated by or on behalf of FTSE Fixed Income LLC or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Index for the purpose to which it is being put by the Manager.

The Offering of Listed Class of Units

Dealings in the Listed Class of Units on the SEHK commenced on 19 February 2014.

All investors may buy and sell Listed Class of Units in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Listed Class of Units in the primary market in Application Unit Size. The current Dealing Deadline After Listing for Creation Application and Redemption Application is 2:30 p.m. (Hong Kong time) on the relevant Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time.

Please refer to the section on "The Offering Phases" in Schedule 1 in Part 1 of this Prospectus for details.

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in RMB only). Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD and RMB.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dual Counter trading of Listed Class of Units

The Manager has arranged for the Listed Class of Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Listed Class of Units are denominated in RMB. Despite the Dual Counter arrangement, the creation of new Listed Class of Units and redemption of Listed Class of Units in the primary market are settled in RMB only. The Sub-Fund offers 2 trading counters on the SEHK (i.e. RMB counter and HKD counter) to investors for secondary trading purposes. Listed Class of Units traded in RMB counter will be settled in RMB and Listed Class of Units traded in HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Listed Class of Units in the 2 counters may be different.

Listed Class of Units traded on both counters are of the same class and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes, different stock short names and the same ISIN number as follows:

	RMB counter	**HKD counter**
SEHK stock code	83199	3199
Short name	ICBCCSOP CGPB-R	ICBCCSOP CGPB
ISIN number	HK0000182987	

Normally, investors can buy and sell Listed Class of Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both HKD and RMB

trading services at the same time. Inter-counter buy and sell is permissible even if the trades take place within the same trading day. However, investors should note that the trading price of Listed Class of Units traded in the RMB counter and that of HKD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website http://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factor below entitled "Dual Counter Risks".

Investors should note that the Renminbi Trading Support Facility (the "TSF") launched by HKEX is currently not made available for non-equity related exchange traded funds. As such, if an investor does not have sufficient RMB, it will need to source RMB from other channels or it will only be able to buy Listed Class of Units through the HKD counter.

RMB Payment or Account Procedures

Investors may apply for Listed Class of Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees unless otherwise informed by the Participating Dealers that other currencies can be accepted. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separate markets. Since the 2 RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB. Accordingly a Participating Dealer may require you (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients. As such, you may need to have opened a RMB bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Listed Class of Units on your behalf as you will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to you by the Participating Dealer by crediting such amount into your RMB bank account. Similarly, if you wish to buy and sell Listed Class of Units in the secondary market on the SEHK, you may need to open a securities dealing account with your broker. You will need to check with the relevant Participating Dealer and/or your broker for payment details and account procedures.

If any investors wish to buy or sell Listed Class of Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers in respect of Units traded in RMB their readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the Units traded in RMB using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase Listed Class of Units in the RMB counter from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stock broker first before any dealing in Listed Class of Units can be effected.
Investors should ensure they have sufficient RMB to settle Listed Class of Units traded in RMB. Investors should consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non- bank financial institutions (e.g. brokers), however, such restriction may not be applicable and investors should consult their brokers as to the currency exchange service arrangement if required.

The transaction costs of dealings in the Listed Class of Units on the SEHK include the SEHK trading fee and SFC transaction levy. All these secondary trading related fees and charges will be collected in HKD and, in respect of Listed Class of Units traded in RMB, calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the website of HKEX by 11:00 a.m. (Hong Kong time) or earlier on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.
Where payment in RMB is to be made by cheque investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limits (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for the creation of Listed Class of Units.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including:

(a) in respect of Hong Kong residents, the existing permitted conversions in relation to personal customers are up to RMB20,000 conducted through RMB bank accounts per person per day or up to RMB20,000 per transaction per person in bank notes for walk-in personal customers; and

(b) the daily maximum remittance amount to the PRC mainland is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the section entitled "RMB currency risks" under "Risk Factors Specific to the Sub-Fund" for further details.

Subscription of Unlisted Class of Units

The Sub-Fund currently has the following Unlisted Class of Units which are available to investors:

- Class A Units
- Class P Units

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part

1 of this Prospectus. The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	3:00 p.m. (Hong Kong time) on each Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the Sub-Fund into another Unlisted Class of Units of the Sub-Fund (where available). Switching of Unlisted Class of Units of the Sub-Fund to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

Payment procedure

Subscription monies in respect of the Unlisted Class of Units must be paid in RMB for Class A and Class P Units. Subscription monies in cleared funds should be received within 3 Business Days following the relevant Dealing Day on which an application was received by the Dealing Deadline, or such other period as determined by the Manager.

Redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the Sub-Fund is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units	**Class P Units**
Minimum initial investment	RMB10 or equivalent	USD10 million or equivalent

Minimum subsequent investment	RMB10 or equivalent	USD2 million or equivalent
Minimum holding	RMB10 or equivalent	USD10 million or equivalent
Minimum redemption amount	RMB10 or equivalent	USD2 million or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

Distribution Policy

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of the capital.

Each Unitholder will receive distributions in RMB (whether holding RMB traded Units or HKD traded Units). In the event that a Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such RMB distribution from RMB into HKD. Unitholders are advised to check with their respective brokers concerning arrangements for distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.
Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit.

The composition of dividends payable on the Units (i.e. the percentages of dividends being paid out of (i) net distributable income and (ii) capital), if any, for a rolling 12 month period will be available from the Manager on request and will also be published on the Sub-Fund's website at http://www.csopasset.com/en/products/china-bond (the contents of which have not been reviewed by the SFC). The Manager may amend the Sub-Fund's distribution policy with respect to the distribution out of capital of the Sub-Fund subject to the SFC's prior approval and by giving not less than 1 month's prior notice to Unitholders.

Fees and Expenses

Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

(a) Fees and expenses payable by Amount Participating Dealers on creation and

redemption of Listed Class of Units (primary market)	
Transaction Fee	RMB12,000[1] per Application
Service Agent's fee	HKD1,000[1] per book-entry deposit and book-entry withdrawal
Registrar Fee	RMB120[1] per transaction
Application cancellation fee	RMB8,500[2] per Application
Extension fee (applicable to redemption of Listed Class of Units only)	RMB8,500[3] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil
(b) Fees and expenses payable by investors of Listed Class of Units	**Amount**
(i) Fees payable by clients of the Participating Dealers	
Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
(ii) Fees payable by all investors in respect of dealings in the Listed Class of Units on SEHK (applicable After Listing)	
Brokerage	Market rates
Transaction levy	0.0027%[5]
AFRC transaction levy	0.00015%[6]

1 RMB12,000 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. The Registrar will charge a fee of RMB120 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.

2 An Application Cancellation fee is payable to the Trustee and/or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

3 An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

4 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

5 Transaction levy of 0.0027% of the price of the Listed Class of Units payable by each of the buyer and the seller.

6 AFRC transaction levy of 0.00015% of the price of the Listed Class of Units, payable by each of the buyer and the seller.

Trading fee	0.00565%[7]
Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund in respect of Listed Class of Units (see further disclosure below)**	**Amount**
	Management Fee[8]	0.28% p.a. of Net Asset Value

Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Management Fee

For Class A Units, the current rate is 0.28% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.20% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5 per cent. of the subscription monies
Redemption fee	Nil
Switching fee	Nil

Fees and Expense Payable by the Sub-Fund

Management Fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Management Fee").

Fees and expenses taken into account in determining the Sub-Fund's Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Custodian's fee, the PRC Custodian fee, the Registrar's fee, the Service Agent's fee, the fees and expenses of the Auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or the Manager, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Manager may also pay a distribution fee to any distributor or sub-distributor of the Sub-Fund out of the

7 Trading fee of 0.00565% of the price of the Listed Class of Units, payable by each of the buyer and the seller.

8 Accrued daily and payable monthly in arrears.

Management Fee. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

The Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Investment Advisor's Fee

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees of the Investment Advisor out of the Management Fee.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Listed Class of Units on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Country concentration risk. The exposure of the Sub-Fund is concentrated in the PRC mainland and may be more volatile than funds adopting a more diversified strategy. The Index is concentrated in Chinese Government Bonds and Policy Bank Bonds and so the Sub-Fund may be adversely affected by the performance of those Securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting the PRC mainland generally.

Passive investment risks. The aim of the Sub-Fund is to track the performance of the Index. The Sub-Fund is not actively managed and will not adopt any temporary defensive position against any market downturn, i.e. it does not try to beat or perform better than the Index.

The Sub-Fund invests in Securities representative of the Index regardless of their investment merit. The Manager does not attempt to select Securities individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Sub-Fund will mean that where there is a decline in the Index this is expected to result in corresponding decline in the value of the Sub-Fund. Investors may suffer significant losses accordingly.

Representative sampling risk. With a representative sampling strategy, the Sub-Fund does not hold all of the Securities in its Index and may invest in bonds and other Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by the Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that the Sub-Fund may be subject to larger tracking error.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager (as the QFI holder) and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via securities account(s) with the relevant depository(ies). The accounts are required to bear the name of "CSOP Asset Management Limited" as this is the name under which the QFI is approved by the relevant regulator. The PRC Custodian acts on the QFI's behalf in the inter-bank bond market and maintain the Sub-Fund's assets in custody in accordance with the terms of the PRC Custody Agreement.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, or that dealings of the Sub-Fund will not be suspended. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The regulations which regulate investments by QFIs in the PRC mainland and the repatriation of capital from QFI investments 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 mainland 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.

PRC Custodian risk. Onshore PRC assets will be maintained by the PRC Custodian in electronic form via securities account(s) with the relevant depository(ies) and a special deposit account with the PRC Custodian.

The PRC Custodian will also execute transactions for the Sub-Fund in the PRC mainland markets. The Sub-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. Subject to the applicable laws and regulations in the PRC mainland, the Manager will make arrangements to ensure that the PRC Custodian has appropriate procedures to properly safe-keep the Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and special deposit accounts for the Sub-Fund in the PRC mainland are maintained in the joint names of the Manager as the QFI and the Sub-Fund. Although the Manager has obtained a legal opinion that the assets in such securities account would belong to the Sub-Fund, such opinion cannot be relied on as being conclusive, as the QFI Regulations are subject to the interpretation of the relevant authorities in the PRC mainland.

Investors should note that cash deposited in the cash account of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and the Sub-Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The Sub-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 case the Sub-Fund will suffer losses.

Reliance on the Investment Advisor risk. The Manager has delegated part of its investment management duties including the liquidity considerations of the bonds which the Sub-Fund invests when adopting the representative sampling strategy to the Investment Advisor. The Investment Advisor will exercise investment discretion in respect of the investments in the PRC mainland inter-bank bond market including liquidity arrangements, in pursuit of the investment objective and in accordance with the investment strategy as set out in the Prospectus of the Sub-Fund, subject to the control and review of the Manager. Any disruption in the communication with or assistance from the Investment Advisor or a loss of service of the Investment Advisor or any of its key personnel might adversely affect the operations of the Sub-Fund.

Repatriation risk. Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

QFI late settlement risk. The Sub-Fund will be required to remit RMB from Hong Kong to the PRC mainland to settle the purchase of Chinese Government Bonds and Policy Bank Bonds by the Sub-Fund from time to time. In the event such remittance is disrupted, the Sub-Fund will not be able to fully replicate the Index by investing in the relevant Chinese Government Bonds and Policy Bank Bonds and this may increase the tracking error of the Sub-Fund.

PRC mainland inter-bank bond market risks. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the PRC mainland inter-bank bond market may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

The Sub-Fund is also exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investing in the PRC mainland inter-bank bond market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Chinese Mainland authorities suspend account opening or trading on the PRC mainland inter-bank bond market, the Sub-Fund's ability to invest in the PRC mainland inter-bank bond market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Risks associated with Bond Connect. The relevant rules and regulations on Bond Connect are subject to change which may have potential retrospective effect. Where a suspension in the trading through Bond Connect is effected, the Sub-Fund's ability to invest in Chinese Government Bonds and Policy Bank Bonds or access the PRC mainland market through the programme will be adversely affected. In such event, the Sub-Fund will have to increase its reliance on the QFI regime, and its ability to achieve its investment objective could be negatively affected.

Rebalancing period risk. The underlying index of the Sub-Fund was changed to the present index (FTSE Chinese Government and Policy Bank Bond Index) effective from 1 June 2022. During the rebalancing period from the previous index to the present index, which is anticipated to take up to 2 trading days from 1 June 2022, holdings of the Sub-Fund will be rebalanced from constituents of the previous index to the present index. Although there is a high degree of correlation between the previous index and the present index, there is a risk that the tracking error of the Sub-Fund during the rebalancing period may increase. If the market is under high volatility during the rebalancing period, the Manager may experience difficulty in selling the constituents of the previous index and buying the constituents of the present index in order to achieve the target portfolio weightings. The Manager may also experience difficulty in buying or selling a security at a desirable price. The tracking error and tracking difference will be heightened as a result. Investors who deal with Units of the Sub-Fund during the rebalancing period should exercise caution.

Past performance risk. As a result of the change in underlying index of the Sub-Fund on 1 June 2022, past performance of the Sub-Fund prior to 1 June 2022 is achieved under circumstances which will no longer apply from 1 June 2022. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 1 June 2022.

Fixed income investments risks

Interest rate risk. Because the Sub-Fund invests in fixed-income Securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

As the Sub-Fund invests in Chinese Government Bonds and Policy Bank Bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC mainland (including monetary policy and fiscal policy) may have an influence over the PRC mainland's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

Liquidity risk. Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Sub-Fund invests in illiquid Securities or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. A disruption in the asset allocation in the Sub-Fund is also possible if underlying Securities cannot be purchased or sold. The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for treasury bonds is not guaranteed. The Sub-Fund may suffer losses in trading such instruments. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly. As such, there can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to or which they may otherwise be able to do in respect of other HKD denominated Securities listed on the SEHK.

Sovereign debt risk. The Sub-Fund invests in Chinese Government Bonds which are sovereign debt Securities and such investments involve special risks. The PRC mainland governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A PRC mainland governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date

a payment is due, the relative size of the debt service burden to the economy as a whole, the PRC mainland governmental entity's policy towards the International Monetary Fund and the political constraints to which a PRC mainland governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a PRC mainland governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, PRC mainland governmental entities may default on their sovereign debt. Holders of sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt on which a PRC mainland governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign (the PRC mainland government) is limited.

Issuer risk. Investment in bonds issued by the entities that are regarded as having the same credit quality or rating as the PRC mainland sovereign credit by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. An issuer suffering an adverse change in its financial condition could lower the credit quality of a Security, leading to greater price volatility of the Security. A lowering of the credit rating of a Security or its issuer may also affect the Security's liquidity, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuer of these bonds as the issuer is incorporated outside Hong Kong and subject to foreign laws.

Chinese Government Bonds and Policy Bank Bonds are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer (the PRC mainland government). As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of Chinese Government Bonds or Policy Bank Bonds (as the case may be) only after all secured claims have been satisfied in full. The Sub-Fund will be fully exposed to the credit/insolvency risk of its Chinese Government Bond or Policy Bank Bond issuer counterparties as an unsecured creditor.

Credit risk. The value of the Sub-Fund is affected by the credit worthiness of its underlying investments. A deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to widening of credit spread) of an underlying investment will adversely impact the value of such investment. Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income instruments only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/ insolvency risk of its counterparties as an unsecured creditor.

Credit downgrade risk. Credit rating of issuers of fixed income instruments and credit rating of Securities may be downgraded, thus adversely affecting the value and performance of the Sub-Fund holding such investments. Although the Sub-Fund will not invest in any non-investment grade bond, investors should note that there is no assurance that the bond invested by the Sub-Fund or the bond issuer will continue to have an investment grade rating or continue to be rated.

Valuation risk. In a thinly traded market, it may be more difficult to achieve fair value when

purchasing or selling underlying Securities because of the wide bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

Illiquidity of bonds close to maturity risk. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.

RMB currency risks

RMB not freely convertible and subject to Exchange controls and restrictions risk. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the PBOC, which are set daily based on the previous day's PRC mainland inter-bank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/– 0.5% to +/– 1%. However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

Any PRC mainland government's policies on exchange control and repatriation restrictions are subject to change and may reduce the liquidity as well as operation of the Sub-Fund. It may also cause suspension of creation of units of the Sub-Fund.

***RMB trading and settlement of Units risk*.** There is no assurance that there will not be problem with the trading and settlement systems of RMB-denominated securities in Hong Kong or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB may not be capable of being implemented as envisaged. In addition, the Units are some of the first Securities with a Dual-Counter (i.e. RMB traded and HKD traded Units) to be traded on the SEHK. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of the SEHK

were held by the SEHK, some brokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs, there is no assurance of their readiness for dealing in RMB denominated Securities. Investors should note that not all brokers may be ready and able to carry out trading of RMB traded Units and settlement in RMB and thus they may not be able to deal in the RMB traded Units through some brokers. Investors should check with their brokers in advance if they intend to engage Dual-Counter trading or in inter-counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual-Counter trading services.

Non-RMB or late settlement redemption risk. Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Units cannot, in the opinion of the Manager in consultation with the Trustee, be carried out normally due to legal or regulatory circumstances beyond the control of the Trustee and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in HKD instead of in RMB (at an exchange rate determined by the Manager after consultation with the Trustee). As such, there is a risk that investors may not be able to receive, through Participating Dealers, settlement upon a redemption of Units in RMB (and may receive HKD) or may receive settlement in RMB on a delayed basis.

Exchange rates movement between the RMB and other currencies risk. Investors in RMB traded Units whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB. In addition, investors in HKD traded Units should note that distributions on HKD traded Units will only be paid in RMB. Accordingly, foreign exchange risk will also apply to investors in HKD traded Units. There is no guarantee that RMB will appreciate in value against HKD or any other currency, or that the strength of RMB may not weaken. In such case an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB back into HKD (or any other currency).

Unavailability of the Renminbi Trading Support Facility ("TSF") risk. Investors should note that the TSF launched by HKEX is currently not made available for fixed income exchange traded funds. As such, if an investor does not have sufficient RMB, it will need to source RMB from other channels or it will only be able to buy Units through the HKD counter.

Future movements in RMB exchange rates risk. The exchange rate of the RMB ceased to be pegged to the US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. The China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of the RMB against the US dollar, Euro, Yen, pound sterling and HKD at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of the RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including HKD, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against HKD or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for the RMB against the HKD was relatively stable. Since July 2005, the appreciation of the RMB has begun to accelerate. Although the PRC mainland government has constantly reiterated its intention to maintain the stability of RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the PRC mainland's trading partners.

The possibility that the appreciation of the RMB will be accelerated cannot be excluded. Further, any devaluation of the RMB could adversely affect the value of investors' investments in the Sub-Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

Offshore RMB ("CNH") market risk. The onshore RMB ("CNY") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and

corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority (the "HKMA") and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The 2 RMB markets operate independently where the flow between them is highly restricted. Although the CNH is a proxy 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. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in the Sub-Fund.

However, the current size of RMB denominated financial assets outside the PRC mainland is limited. As at 31 December 2017, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB559.14 billion. In addition, participating authorised institutions are also required by the HKMA to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for Hong Kong resident individual customers of up to RMB20,000 per person per day. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be promulgated or the relevant settlement agreements between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the ability of investors to acquire Units or to sell Units affecting the liquidity and trading price of the Listed Class of Units on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

***RMB distributions risk*.** Investors should note that where a Unitholder holds Listed Class of Units traded under the HKD counter, the relevant Unitholder will only receive distributions in RMB and not HKD. In the event the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Other investment risks

Emerging market risk. Investing in emerging markets, such as the PRC mainland, involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Over-the-counter market risk. OTC markets such as the PRC mainland inter-bank bond market are subject to less governmental regulation and supervision of transactions than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on OTC markets. Therefore, by entering into transactions on OTC markets, the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

Economic risk. Economic instability in an emerging market such as the PRC mainland may arise when such country is heavily dependent upon commodity prices and international trade. The PRC mainland economy has been and may continue to be adversely affected by the economics of its trading partners, foreign exchange controls, managed adjustments in relative currency values, trade barriers and other protectionist measures imposed or negotiated by the countries with which they trade. Some emerging market countries have experienced currency devaluations and some have experienced economic recession causing a negative effect on their economies and Securities markets. There can be no assurance that the PRC mainland may not experience similar circumstances.

Political and social risk. Some governments in emerging market countries are authoritarian and some have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratisation and capital market development and ethnic, religious and racial disaffection, among other factors, may lead to social unrest, violence and/or labour unrest in emerging market countries such as the PRC mainland. Unanticipated political or social developments may result in sudden and significant investment losses. All of these factors can have a material impact on the Index and create a risk of higher price volatility which, in turn, can increase any tracking error.

Non-guaranteed investment risk. The Sub-Fund is not principal guaranteed and the purchase of Units is not the same as investing directly in the Index Securities comprised in the Index. The instruments invested by the Sub-Fund may fall in value and therefore investments in the Sub-Fund may suffer losses.

Market trading risks associated with the Sub-Fund (applicable to the Listed Class of Units only)

Unit Liquidity Risk. Because RMB counter Units are traded in RMB, such Listed Class of Units may be inherently less liquid than other Securities which are listed on the SEHK, including other ETFs, due to the relatively limited supply of RMB (CNH) outside the PRC mainland as well as levels of demand for RMB cash and greater barriers for investors generally in trading RMB denominated SEHK listed products.

Dual Counter trading risks

Dual Counter risk. Investors without an RMB account may buy and sell HKD traded Listed Class of Units only. Such investors will not be able to buy or sell RMB traded Listed Class of Units and should note that distributions are made in RMB only. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Listed Class of Units in one counter and to sell Listed Class of Units in the other, or (ii) trade Listed Class of Units in the RMB counter and HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in the RMB traded Listed Class of Units and HKD traded Listed Class of Units and may mean investors may only be able to trade their Listed Class of Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual-Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market

liquidity, market supply and demand in the respective counters and the exchange rate among RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Listed Class of Units traded in HKD may deviate significantly from the market price on the SEHK of Listed Class of Units traded in RMB. The trading price of HKD traded Listed Class of Units or RMB traded Listed Class of Units is determined by market forces and so will not be the same as the trading price of Listed Class of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Units traded in HKD or buying Listed Class of Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Listed Class of Units is in RMB and vice versa. There can be no assurance that the price of Listed Class of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Listed Class of Units on the HKD counter may be subject to currency exchange risk as the assets of the Sub-Fund are denominated in RMB and the Net Asset Value of the Sub-Fund will be calculated in RMB.

Trading risk. The trading price of the Listed Class of Units on the SEHK is driven by market factors such as the demand and supply of the Listed Class of Units. Therefore, the Listed Class of Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Listed Class of Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the List Class of Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Listed Class of Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Listed Class of Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

APPENDIX 2: CSOP RMB Money Market ETF

This is an active exchange traded fund

Interpretation

For the purpose of this Appendix 2, the following words and expressions have the following meanings:

"CSRC" means China Securities Regulatory Commission or its successor.

"PBOC" means the People's Bank of China.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

Key Information

Set out below is a summary of key information in respect of CSOP RMB Money Market ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Strategy	The Manager will adopt an actively managed investment strategy. The Sub-Fund invests in RMB-denominated and settled short-term deposits and high quality money market instruments. Please refer to the "What is the Investment Strategy" section below for further details.
Base Currency	Renminbi (RMB)
Distribution Policy	The Manager intends to distribute income annually (in December) having regard to the net income of the Sub-Fund after fees and costs. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an

	investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Units (whether RMB or HKD traded Units) will receive distributions in RMB only.***
Financial Year End	31 December
Website	http://www.csopasset.com/en/products/rmb-money-market-etf (this website has not been reviewed by the SFC)

* Both HKD traded Units and RMB traded Units will receive distributions in RMB only. In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and to consider the risk factor "RMB distributions risk" below.

Key information applicable to Listed Class of Units only

Listing Date (SEHK)	20 January 2015
Exchange Listing	SEHK – Main Board
Stock Code	83122 – RMB counter 03122 – HKD counter
Short Stock Name	A CSOP RMB MM-R - RMB counter A CSOP RMB MM - HKD counter
Trading Board Lot Size	10 Units – RMB counter 10 Units – HKD counter
Trading Currencies	Renminbi (RMB) – RMB counter HKD (HKD) – HKD counter
Dealing Deadline	4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Trustee may determine
Creation / Redemption Policy	Cash (RMB only)

Application Unit Size (only Participating Dealers)	Minimum 10,000 Units or such other number of Units as the Manager may determine and approved by the Trustee
Management Fee	0.49% p.a. of the Net Asset Value calculated daily
Market Makers (HKD Counter / RMB Counter)	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.

Key information applicable to Unlisted Class of Units only

Unlisted Class of Units Offered	Class A Units Class P Units	
Minimum initial investment	Class A Units: Class P Units:	RMB10 or equivalent RMB0.01 or equivalent
Minimum subsequent investment	Class A Units: Class P Units	RMB10 or equivalent RMB0.01 or equivalent
Minimum holding	Class A Units: Class P Units:	RMB10 or equivalent RMB0.01 or equivalent
Minimum redemption	Class A Units: Class P Units:	RMB10 or equivalent RMB0.01 or equivalent
Dealing Deadline	10:30 a.m. (Hong Kong time) on each Dealing Day, or such other time as the Manager in consultation with the Trustee may determine	
Management Fee	For Class A Units, the current rate is 0.49% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.80% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.	

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

<table>
<tr><td>Investment Objective</td><td rowspan="2">Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the “What is the Investment Objective” and “What is the Investment Strategy?” section of this Appendix.</td></tr>
<tr><td>Investment Strategy</td></tr>
<tr><td>Valuation Policy</td><td>Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.</td></tr>
<tr><td>Dealing Arrangements</td><td>Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Investors should note that the dealing deadlines in respect of Listed and Unlisted Class of Units are different, subject to the applicable valuation point.

In respect of the Listed Class of Units:

- The dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) on the immediately preceding Dealing Day and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time; and

- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units, the Dealing Deadline is 10:30 a.m. (Hong Kong time) on each Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time. Investors can buy or sell the Unlisted Class of Units at Net Asset Value.

<table>
<tr><td></td><td>Listed Class of Units</td><td>Unlisted Class of Units</td></tr>
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Dealing Deadline in respect of a Dealing Day	4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day*	10:30 a.m. (Hong Kong time) on the Dealing Day
Valuation Point	Approximately 11:00 a.m. (Hong Kong time) on the applicable Valuation Day	

* Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("Day T") (i.e. between 9:00 a.m. to 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day ("Day T-1")) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:

In respect of Listed Class of Units

- a Creation or Redemption Application for Listed Class of Units received at or before 4:00 p.m. (Hong Kong time) on Day T-1 will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and

- a Creation or Redemption Application for Listed Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T-1), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.

In respect of Unlisted Class of Units

- a subscription or redemption application for Unlisted Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and

	- a subscription or redemption application for Unlisted Class of Units received at 3:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1. Please refer to Schedule 1 "Provisions relating to the Offer, Creation, Redemption, Listing and Trading of the Listed Class of Units" and Schedule 2 "Provisions relating to the Offer, Subscription, Conversion and Redemption of the Unlisted Class of Units" of Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Class of Units respectively.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The Servicing Fee, Trustee's and Registrar's Fees and Investment Adviser's Fee are the same in respect of both classes of Units. For Listed Class of Units, the current management fee is 0.49% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current management fee is 0.49% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current management fee is 0.80% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's Fee, transaction costs etc).

	An investment in the Unlisted Class of Units is subject to the payment of subscription fees. Please refer to the "Fees and Expenses" section of this Appendix.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and charges, stamp duty. Please refer to the risk factor on "Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units" in Part 1 of this Prospectus for further details.
Termination	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" in Part 1 of this Prospectus for further details.

What is the Investment Objective?

The investment objective of the Sub-Fund is to invest in short-term deposits and high quality money market investments. The Sub-Fund seeks to achieve a return in RMB in line with prevailing money market rates.

There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In order to achieve the investment objective of the Sub-Fund, the Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the Sub-Fund in RMB-denominated and settled short-term deposits and short-term and high quality money market instruments which are issued by governments, quasi-governments, international organisations, corporates and financial institutions, including onshore and offshore debt securities, Treasury Bonds and Policy Bank Bonds, commercial papers, super and short-term commercial paper, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the Sub-Fund include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the Sub-Fund (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).

The Sub-Fund will invest less than 30% of its Net Asset Value into non-RMB-denominated and settled short-term deposits and short-term and high quality money market instruments. The

Manager may hedge any non-RMB-denominated and settled investments into RMB to manage any material currency risk.

The Sub-Fund intends to invest up to 100% of its Net Asset Value in the onshore money market instruments (including debt securities) through the QFI status of the Manager (as explained in the section on "What is the QFI Regime?" below) and Bond Connect (as explained in the section on "What is the Bond Connect?" below). The Sub-Fund will invest primarily in RMB-denominated instruments.

The Manager will adopt an actively managed investment strategy and will construct the portfolio of the Sub-Fund from time to time based on the following criteria to assess whether a money market instrument or deposits is of high quality:

1. Credit rating: First, the Manager will screen the instruments based on the credit rating of the instruments or their issuers. The Sub-Fund will only invest in debt securities rated investment grade or above. For the purposes of the Sub-Fund, investment grade is defined as below based on the original maturity of a debt security:

   A short-term debt security is considered investment grade if its credit rating is A-3 or higher by S&P or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies or rated A-1 or above by a Chinese Mainland credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply.

   A long-term debt security is considered investment grade if its credit rating is Baa3 or BBB- or above by an internationally recognised credit rating agency (such as Fitch's, Moody's and Standard & Poor's) or rated AA+ or above assigned by any PRC mainland domestic credit rating agency. For the Treasury Bonds and Policy Bank Bonds, there is no additional credit rating requirement. The credit rating of the issuers of the Treasury Bonds and Policy Bank Bonds, namely the PRC mainland government, China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China are A+ by Standard & Poor's and A1 by Moody's. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the Sub-Fund does not intend to invest in debt securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the Sub-Fund invests in debt securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund.

2. Liquidity: Investments that satisfy the credit rating requirements will be assessed based on liquidity. The Manager will assess the liquidity of the instruments based on historical liquidity of similar money market instruments, by assessing the days to liquidate for such instruments. Only instruments or deposits with high liquidity will be included in the portfolio of the Sub-Fund.

3. Target maturity: Out of investments that fulfil the criteria on credit rating and liquidity, the portfolio will be constructed out of investments with an average maturity close to (but not exceeding) 60 days.

The Manager will regularly monitor the portfolio of the Sub-Fund against the above criteria.

The Sub-Fund is also subject to the following restrictions: The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the Net Asset Value of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the Code) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or (iii) in respect of any

deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities.

The Manager may also invest up to 10% of the Net Asset Value in money market funds which are either authorised by the SFC or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. PRC mainland money market funds invested by the Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and weighted average life not exceeding 120 days, and its expected exposure shall be approximately 5% of its Net Asset Value, subject to a maximum of 10% of its Net Asset Value.

The Sub-Fund may invest up to 15% of its Net Asset Value in asset backed commercial papers ("ABCP"). ABCP are typically issued by a bank or other financial institution. They are backed by physical assets such as trade receivables, and are generally used for short-term financing needs. The Manager will select short term and high quality ABCP, using the same criteria as set out above for selection of money market instruments.

The Sub-Fund may also enter into reverse repurchase transactions, and its expected exposure to such transactions shall be between 0% to 20% of its Net Asset Value, subject to a maximum of 20% of its Net Asset Value, provided that the aggregate amount of cash provided to the same counterparty may not exceed 15% of its Net Asset Value. Reverse repurchase transactions are transactions where the Sub-Fund buys securities such as bonds using cash and simultaneously agrees to sell such securities back to the counterparty at a pre-determined future date for a pre-determined price. A reverse repurchase transaction is economically similar to secured lending, with the counterparty of the Sub-Fund submitting securities as collateral for the cash that it borrows from the Sub-Fund.

The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its Net Asset Value. Sale and repurchase transactions are transactions where the Sub-Fund sells securities such as bonds for cash and simultaneously agrees to repurchase the securities from the counterparty at a pre-determined future date for a pre-determined price. A sale and repurchase transaction is economically similar to secured borrowing, with the counterparty of the Sub-Fund receiving securities as collateral for the cash that it lends to the Sub-Fund. The Manager's policy regarding repurchase transactions as set out in Schedule 1 apply to the Sub-Fund.

Collateral received may only be cash and high quality money market investments subject to the credit quality, maturity and liquidity requirements set out above. The weighted average maturity and weighted average life of the collateral, together with other investments made by the Sub-Fund in accordance with the investment strategy set out herein, shall not exceed the limits set out above.

A counterparty to the sale and repurchase transactions and/or reverse repurchase transactions entered into by the Sub-Fund will be a financial institution subject to ongoing prudential regulation and supervision. It will be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's), or any other equivalent ratings by recognised credit rating agencies, or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. Subject to the above, there is no requirement on its country or region of origin.

All the revenues arising from such transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions, will be returned to the Sub-Fund.

The Sub-Fund may utilise financial derivative instruments (including interest rate swaps and

currency swaps) for the purpose of hedging only.

There is no current intention for the Sub-Fund to:

(a) invest in any financial derivative instruments for non-hedging (i.e. investment) purposes;

(b) invest in structured products or instruments, structured deposits, instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt); or

(c) engage in securities lending transactions and other similar over-the-counter transactions,

but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than 1 month's prior notice will be given to the Unitholders.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to change the investment strategy of the Sub-Fund unless such changes satisfy the overriding principles and requirements prescribed by the SFC from to time and be considered as immaterial changes.

Investment and Borrowing Restrictions

The Sub-Fund must comply with the investment and borrowing restrictions as summarised in Part 1 of this Prospectus (which includes a summary of the investment restrictions set out in the Trust Deed).

What is the QFI Regime?

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "QFI Regulations")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and

futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, foreign investors can invest only in the domestic securities and/or futures market through certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets.

All of the Sub-Fund's assets in the PRC mainland acquired through or in connection with the QFI status of the Manager (including onshore PRC cash deposits, its onshore PRC Government and Policy Bank Bonds portfolio and other PRC onshore investments) will be held by the PRC Custodian in accordance with the terms of the PRC Custody Agreement and PRC Participation Agreement. Securities account(s) has/have been opened with the relevant depository(ies) in the joint names of the Manager (as the QFI holder) and the Sub-Fund. An RMB special deposit account has also been established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with the relevant depository(ies) for trade settlement according to applicable regulations.

The Manager has obtained a legal opinion confirming that, as a matter of PRC mainland law:

(a) securities account(s) with the relevant depository(ies) and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "Securities Account(s)" and the "Cash Account(s)") have been opened in the joint names of the Manager (as RQFII holder) and the Sub-Fund and for the sole benefit and use of the Sub-Fund in accordance with all applicable laws and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(b) the assets held/credited in the Securities Account(s) (i) belong solely to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), the Custodian, the PRC Custodian and any broker appointed by the Manager to execute transactions for the Sub-Fund in the PRC mainland (a "PRC Broker"), and from the assets of other clients of the Manager (as RQFII holder), the Custodian, the PRC Custodian and any PRC Broker;

(c) the assets held/credited in the Cash Account(s) (i) become an unsecured debt owing from the PRC Custodian to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder) and any PRC Broker, and from the assets of other clients of the Manager (as RQFII holder) and any PRC Broker;

(d) the Trustee, for and on behalf of the Sub-Fund, is the only entity which has a valid claim of ownership over the assets in the Securities Account(s) and the debt in the amount deposited in the Cash Account(s) of the Sub-Fund;

(e) if the Manager or any PRC Broker is liquidated, the assets contained in the Securities Account(s) and the Cash Account(s) of the Sub-Fund will not form part of the liquidation assets of the Manager or such PRC Broker in liquidation in the PRC mainland; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the Securities Account(s) of the Sub-Fund will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the Cash Account(s) of the Sub-Fund will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the Sub-Fund will become an unsecured creditor for the amount deposited in the Cash Account(s).

Repatriations in RMB conducted by the Manager as QFI on behalf of the Sub-Fund are permitted

daily and are not subject to any lock-up periods or prior approval.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors in the section on "Risk Factors specific to the Sub-Fund" below.

What is Bond Connect?

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Chinese Mainland ("Bond Connect") established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), CCDC, SHCH, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.
Bond Connect is governed by rules and regulations as promulgated by the PRC mainland authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- the "Interim Measures for the Administration of Mutual Bond Market Access between Chinese Mainland and Hong Kong (Decree No.1 [2017])" (內地與香港債券市場互聯互通合作管理暫行辦法(中國人民銀行令 [2017] 第1號)) issued by the PBOC on 21 June 2017;

- the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" (中國人民銀行上海總部"債券通"北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and

- any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Chinese Mainland, eligible foreign investors will be allowed to invest in the bonds circulated in the PRC mainland inter-bank bond market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Chinese Mainland, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the CCDC and SHCH). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

The Offshore RMB Market

What Led to RMB Internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 9.8% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. The International Monetary Fund has projected that the PRC mainland will contribute to more than one-third of global growth by 2015. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities.

Accelerating the Pace of RMB Internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong. As of the end of December 2017, there are 137 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB599.14 billion, as compared to just RMB63 billion in 2009.

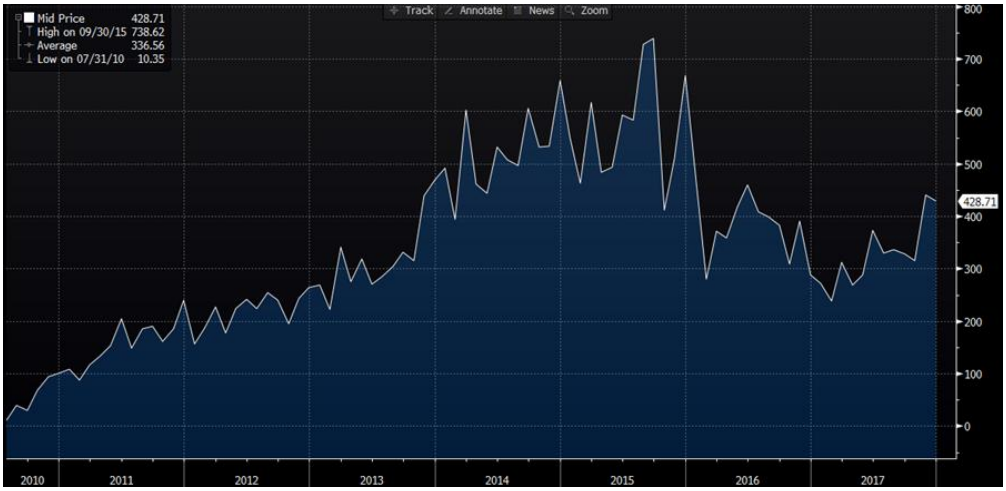
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of 31 December 2017

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/4 Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities on the PRC mainland and to all countries/ regions overseas. In the year of 2017, nearly RMB3,926.45 billion worth of cross-border trade was settled in Hong Kong using RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of 31 December 2017

Onshore versus Offshore RMB Market

Following a series of policies introduced by the PRC mainland authorities, an RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the 2 RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past 2 years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity. There have been talks on the potential convergence of the 2 RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain 2 segregated, but highly related, markets for the next few years.

Recent Measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, with respect to the lifting of restrictions on interbank transfer of RMB funds and, as well as granting permission for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of the PRC mainland’s interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme. The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the QFI scheme and the launch of an ETF with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

RMB Internationalisation is a Long-term Goal

Given the PRC mainland’s economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar’s main reserve currency status for some time to come.

Overview of PRC Mainland Bond Market

The PRC mainland’s domestic bond market primarily consists of two markets: the inter-bank bond market and the exchange-traded bond market. Despite some interconnections amongst them, these markets are differentiated by investor segmentation, product segmentation and regulatory separation.

Currently, the inter-bank bond market is much larger in terms of trading volume and is relatively more liquid than the exchange-traded bond market. With its dominant market position, the inter-bank bond market accounts for more than 85% of the total bonds outstanding as of 31 December 2018.

Some key information on the two markets is set out below.

Key Information on these markets

	Inter-bank bond market	**Exchange-traded bond market**
Market size	Approximately RMB67.5 trillion, as at 31 December 2018 (source: CCDC and Shanghai Clearing House)	Approximately RMB9 trillion, as at 31 December 2018 (source: CCDC and Shanghai Clearing House)
Major types of products traded	PRC treasury bonds, bonds issued by PBOC, policy bank bonds, financial bonds, enterprise bonds, commercial papers, medium term notes, local government bonds and asset-backed securities	Treasury bonds, local government bonds, enterprise bonds, corporate bonds and convertible bonds
Key market participants	Commercial banks, insurance companies, mutual funds, security companies, foreign investors with QFI status or via CIBM and Bond Connect	Commercial banks, insurance companies, mutual funds, security companies, foreign investors with QFI status or via CIBM, corporations and individual investors
Trading hours	9:00 a.m. to 12:00 p.m. and 1:30 p.m. to 4:30 p.m. (Hong Kong time)	9:00 a.m. to 11:00 a.m. and 1:00 p.m. to 3:00 p.m. (Hong Kong time)
Trading and settlement mechanism	Trading mechanism: a quote-driven over-the-counter market between institutional investors Settlement mechanism: primarily delivery versus payment ("DVP"), on either a T+0 or T+1 settlement cycle	Trading an electronic automatic matching system where securities are traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange Settlement mechanism: clearing and settlement are through the China Securities Depository and Clearing Co., Ltd (中國證券登記結算有限責任公司) (the "CSDCC") on T+1 settlement cycle
Regulator	PBOC	CSRC
Counterparty with whom investors will trade	The trading counterparty (i.e. the other market participants)	CSDCC, which acts as the central counterparty to all securities transactions on the Shanghai and Shenzhen stock exchanges
Central clearing	CCDC (中央國債登記結算公司), Shanghai Clearing House	CSDCC
Liquidity	Total trading volume in the 12 months	Total trading volume in the 12 months

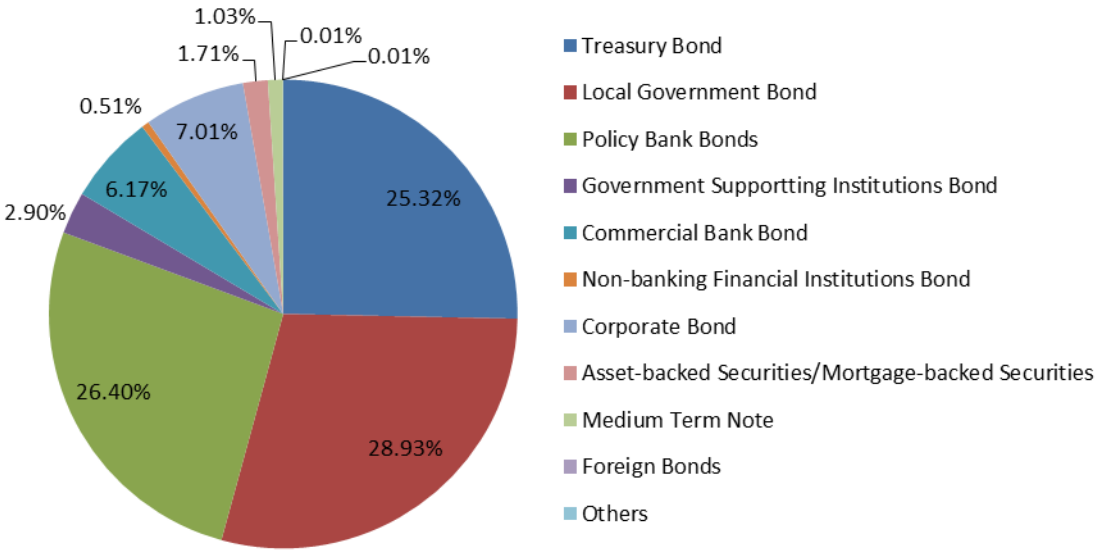
	to 31 December 2018 was approximately RMB149.8 trillion (source: CCDC)	to 31 December 2018 was approximately RMB1.7 trillion (source: CCDC)
Associated risks	Interest rate risk, credit risk, counterparty risk	Interest rate risk, credit risk, liquidity risk
Minimum rating requirements	No requirement However, market participants typically require a rating of at least BBB given by a local credit rating agency.	No requirement However, if upon listing a corporate bond or enterprise bond does not have a credit rating of at least "AA" given by a local credit rating agency, then such bond can only be traded on the fixed income electronic platform of the relevant exchange (固定收益證券綜合電子平臺), which is open only to institutional investors. Bonds that do not satisfy this minimum requirement cannot be traded via the quote-driven platform (競價交易系統), which is open to all investors, including retail investors.
Types of debt instruments commonly seen and the issuers	PRC treasury bonds: issued by Ministry of Finance of the PRC Bonds issued by PBOC Policy Bank Bonds: issued by PRC mainland policy banks (China Development Bank, Agricultural Development Bank of China and Export-Import Bank of China) Financial bonds: issued by commercial banks and other financial institutions Non-financial credit bonds: issued by state-owned or state-held entities and corporates Local government bonds: issued by local provinces or cities Foreign bonds: issued by foreign entities	Treasury bonds: issued by Ministry of Finance Local government bonds: issued by local provinces or cities Enterprise bonds: issued by government-related, state-owned or state-held entities Corporate bonds: issued by listed companies Convertible bonds: issued by listed companies

As at the end of July 2013, the inter-bank bond market had a diversified investor base with over 10,000 members, approximately 5,000 of which have direct access to the centralised trading system, which covers all types of financial institutions such as commercial banks, securities firms, fund houses, insurance companies and various kinds of investment products like mutual funds and pension funds. The remaining approximately 5,000 members, which include small financial institutions and non-financial enterprises, gain access to the market through settlement agencies.

The major types of bonds available in the PRC mainland inter-bank bond market can be grouped into six broad categories: (i) PRC treasury bonds issued by Ministry of Finance of the PRC; (ii) bonds issued by the PBOC; (iii) Policy bank bonds issued by policy banks, including China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China; (iv)

Financial bonds, including commercial bank bonds and non-bank financial institution bonds; (v) Non-financial credit bonds issued by non-financial institution corporates, including enterprise bonds, commercial papers ("CP"), and medium-term notes ("MTN"); (vi) other types of bonds such as local government bonds issued by provincial or city government, government supporting institutional bonds issued by Central Huijin Investment Limited, China Railway Corporation and Ministry of Railway, foreign bonds issued by foreign entities, asset-backed securities and mortgage-backed securities, etc.

The below graph illustrates the breakdown of various types of instruments in the inter-bank bond market (sources: CCDC and Shanghai Clearing House as of 31 December 2017):



The yields of major debt instruments in the inter-bank bond market are as follows (the below yields are general averages for reference only as of 31 December 2017) (source: CCDC):

Years to Maturity	PRC treasury bonds	China Development Bank Bonds	Agricultural Development Bank of China Bonds	Export-Import Bank of China Bonds
1	3.79%	4.68%	4.71%	4.73%
2	3.78%	4.75%	4.79%	4.79%
3	3.78%	4.79%	4.80%	4.79%
5	3.84%	4.81%	4.84%	4.85%
7	3.90%	4.98%	5.01%	5.02%

10	3.88%	4.82%	4.96%	4.99%
15	4.18%	5.04%	5.10%	5.12%
20	4.22%	5.16%	5.17%	5.17%
30	4.37%	5.17%	-	-

Years to Maturity	Corporate Bonds		
	AAA[1]	AA+[1]	AA[1]
1	5.22%	5.50%	5.70%
2	5.24%	5.49%	5.69%
3	5.29%	5.54%	5.74%
5	5.42%	5.67%	5.87%
7	5.44%	5.75%	6.05%
10	5.45%	5.76%	6.06%
15	5.51%	5.82%	6.12%
20	5.61%	5.92%	6.22%
30	5.63%	5.94%	6.24%

Investors should note that the yields as set out in the above tables are not indicative of the expected return of the Sub-Fund. There is no assurance that the Sub-Fund's return will correlate with the expected yield of its underlying investment.

Overview of PRC Treasury Bond

PRC treasury bond is debt instrument issued by Ministry of Finance of the PRC. The outstanding amount of PRC treasury bonds in the inter-bank bond market is over RMB14,362 billion, comprising approximately 26% of the inter-bank bond market as of 31 December 2018. It has a wide range of tenors and is one of the most liquid types of bonds in the secondary market. For the year of 2017, the daily average trading volume of PRC treasury bonds is approximately RMB52.5 billion and the daily average number of trades is about 530. With the approval of the National People's Congress, PRC treasury bonds are backed by the PRC mainland sovereign's credit. No credit rating is given for onshore PRC treasury bonds since these bonds have the same credit ratings of the PRC mainland sovereign, which are A+ by Standard & Poor's and A1 by Moody's.

There are two types of PRC Treasury Bonds: Book-entry Treasury Bonds (記賬式國債) and Savings Treasury Bonds (儲蓄國債). Some key information on these types of PRC Treasury Bonds is set out below.

[1] The sources of credit rating include Dagong Global, China Cheng Xin International, China Lianhe and Shanghai Brilliance Credit Rating. Investors may obtain more information on rating methodologies from the websites of the above PRC local credit agencies. Investors should, however, exercise caution when referring to PRC local credit ratings of bonds, as the local credit ratings industry in the PRC is still in an early development stage. Due to the lack of historical data and slow response to credit events, the rating methodologies used by PRC local credit agencies, whilst they may in general be similar to those adopted by international credit rating agencies, may be driven by domestic factors rather than more quantitative methods.

	Book-entry Treasury Bonds	Savings Treasury Bonds
Market capitalisation	Approximately RMB13.6 trillion, as of 31 December 2018 (source: CCDC)	Approximately RMB0.7 trillion, as of 31 December 2018 (source: CCDC)
Bonds issuer	Ministry of Finance, PRC mainland	Ministry of Finance, PRC mainland
Key market participants	Institutional investors	Retail investors
Major tenors	From 3 months to 50 years	3 years and 5 years
Trading platform	Inter-bank market, exchange market	Retail bank counters
Liquidity	Good	Moderate
Custodian	CCDC, CSDCC	CCDC

As illustrated in the above table, the target investors of Savings Treasury Bonds, which can be purchased at retail bank counters are retail investors, whereas Book-entry Treasury Bonds are targeted at institutional market participants, including the Sub-Fund.

Book-entry Treasury Bonds are offered in the primary market by using the PBOC tender system where authorised participants including commercial banks, securities houses and insurance companies can participate and acquire an allocation. Regarding the secondary market, security houses can transfer some of their primary market inventory to stock exchanges for secondary market trading. However, the majority of the secondary liquidity is offered by the inter-bank bond market where different participants transact on an over-the-counter basis. Buyers and sellers can transact directly with agreed price and volume.

Market makers facilitate the secondary market trading by actively quoting bid and offer prices of bonds and acting as counterparties to market participants, while brokers perform the same role by actively providing bonds quotations to proactively match those from potential buyers and sellers. Trades can also be done without brokers. Investors can approach potential counterparties through their traders and do trades directly with their counterparties.

Overview of Policy Bank Bond

"Policy banks" refers to those financial institutions which were established by the Policy Banks Law of 1994 to implement the state policies for financing state-invested projects, promoting industries, and supporting economic and trade development. There are three policy banks: the China Development Bank ("CDB"), the Export-Import Bank of China ("Chexim") and the Agricultural Development Bank of China ("ADBC"). All of them are wholly owned by the state and under the direct jurisdiction of the State Council of the PRC mainland, meanwhile CDB specialises in large infrastructure financing, including most of the funding for Shanghai Pudong International Airport and the Three Gorges Dam; Chexim focuses on trade financing and government concessional loans, and ADBC provides funds for agricultural development projects in rural areas.

All three policy banks fund themselves mainly through bond issuances in the PRC mainland domestic market. As of 31 December 2018, the value of outstanding bonds issued by policy banks was approximately RMB14.5 trillion, comprising approximately 25% of total interbank bond market. Among the three policy banks, CDB has RMB8,147 billion outstanding, Chexim has RMB2,397 billion and ADBC has RMB3,937 billion. For the year of 2017, the daily average trading volume of Policy Bank Bonds was approximately RMB 134 billion and the daily average number of trades is about 1,798. Policy bank bonds have the same credit ratings of the relevant policy banks. All three policy banks have the credit rating as the PRC mainland sovereign, which are A+ by Standard & Poor's and A1 by Moody's. In the PRC mainland market, PRC treasury bonds, Policy Bank Bonds, as well as PBOC bills are called interest rate bonds, by reference to the low risk of credit risk or default.

Policy Bank Bond Issuer	**China Development Bank**	**The Export-Import Bank of China**	**Agricultural Development Bank of China**
Market capitalisation	Approximately RMB8.15 trillion, as of 31 December 2018 (source: ChinaBond)	Approximately RMB2.40 trillion, as of 31 December 2018 (source: ChinaBond)	Approximately RMB3.97 trillion, as of 31 December 2018 (source: ChinaBond)
Key market participants	Institutional investors/ Retail investors	Institutional investors	Institutional investors
Major tenors	From 1 year to 50 years	6 months and 10 years	6 months and 10 years
Trading platform	Inter-bank market, exchange market	Inter-bank market	Inter-bank market
Liquidity	Good	Good	Good
Custodian Format	Book-entry bond	Book-entry bond	Book-entry bond
Custodian	CCDC, CSDCC	CCDC	CCDC

Similar to PRC treasury bonds, Policy Banks Bonds are offered in the primary market by using the PBOC tender system. The main tenor of Policy Bank Bond issuance is from 1 year to 10 years, although there are also shorter-than-one-year bills offer and longer-than-ten-year long bond offer. Unlike PRC treasury bonds, the Policy Bank Bonds only exist in book-entry format and are for institutional investors only. Most of them are traded in the inter-bank bond market and custodian under CCDC. The main investors of Policy Bank Bonds are commercial banks, funds, insurance companies and securities houses.

Market makers facilitate the secondary market trading by actively quoting bid and offer prices of bonds and acting as counterparties to market participants, while brokers perform the same role by actively providing bonds quotations to proactively match those from potential buyers and sellers. Trades can also be done without brokers. Investors can approach potential counterparties through their traders and do trades directly with their counterparties.

The Offering of Listed Class of Units

Dealings in the Listed Class of Units on the SEHK commenced on 20 January 2015.

All investors may buy and sell Listed Class of Units in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Listed Class of Units in the primary market in Application Unit Size. The current Dealing Deadline After Listing for Creation Application and Redemption Application is 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time.

In respect of the Sub-Fund, "**Dealing Day**" means each Business Day.

"**Business Day**", in respect of creations and redemptions of new Listed Class of Units for the Sub-Fund in the primary market, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the Sub-Fund is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For the avoidance of doubt, a Secondary Market Investor can buy or sell the Listed Class of Units of the Sub-Fund on a day on which the SEHK is open for normal trading.

Please refer to the section on "The Offering Phases" in Schedule 1 in Part 1 of this Prospectus for details.

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in RMB only). Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD and RMB.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dual Counter trading of Listed Class of Units

The Manager has arranged for the Listed Class of Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Listed Class of Units are denominated in RMB. Despite the Dual Counter arrangement, the creation of new Listed Class of Units and redemption of Listed Class of Units in the primary market are settled in RMB only. The Sub-Fund offers 2 trading counters on the SEHK (i.e. RMB counter and HKD counter) to investors for secondary trading purposes. Listed Class of Units traded in RMB counter will be settled in RMB and Listed Class of Units traded in HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Listed Class of Units in the 2 counters may be different.

Listed Class of Units traded on both counters are of the same class and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes, different stock short names and the same ISIN number as follows:

	RMB counter	HKD counter
SEHK stock code	83122	03122
Short name	A CSOP RMB MM-R	A CSOP RMB MM
ISIN number	HK0000226149	

Normally, investors can buy and sell Listed Class of Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both HKD and RMB trading services at the same time. Inter-counter buy and sell is permissible even if the trades take place within the same trading day. However, investors should note that the trading price of Listed Class of Units traded in the RMB counter and that of HKD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website http://www.hkex.com.hk/eng/prod/secprod/etf/dc.htm.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factor below entitled "Dual Counter Risks".

Investors should note that the Renminbi Trading Support Facility (the "TSF") launched by HKEX is currently not made available for non-equity related exchange traded funds. As such, if an investor does not have sufficient RMB, it will need to source RMB from other channels or it will only be able to buy Listed Class of Units through the HKD counter.

RMB Payment or Account Procedures

Investors may apply for Listed Class of Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees unless otherwise informed by the Participating Dealers that other currencies can be accepted. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separate markets. Since the 2 RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB. Accordingly a Participating Dealer may require you (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.

As such, you may need to have opened a RMB bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on your behalf as you will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to you by the Participating Dealer by crediting such amount into your RMB bank account. Similarly, if you wish to buy and sell Listed Class of Units in the secondary market on the SEHK, you may need to open a securities dealing account with your broker. You will need to check with the relevant Participating Dealer and/or your broker for payment details and account procedures.

If any investors wish to buy or sell Listed Class of Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers in respect of Units traded in RMB their readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the Units traded in RMB using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase Listed Class of Units in the RMB counter from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stock broker first before any dealing in Listed Class of Units can be effected.
Investors should ensure they have sufficient RMB to settle of Listed Class of Units traded in RMB. There is currently no maximum exchange limit for both Hong Kong and non-Hong Kong residents.

Investors should consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction may not be applicable and investors should consult their brokers as to the currency exchange service arrangement if required.

The transaction costs of dealings in the Listed Class of Units on the SEHK include the SEHK trading fee and SFC transaction levy. All these secondary trading related fees and charges will be collected in HKD and, in respect of Listed Class of Units traded in RMB, calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the website of HKEX by 11:00 a.m. (Hong Kong time) or earlier on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.
Where payment in RMB is to be made by cheque investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limits (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for the creation of Listed Class of Units.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC mainland is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the section entitled "RMB currency risks" under "Risk Factors Specific to the Sub-Fund" for further details.

Subscription of Unlisted Class of Units

The Sub-Fund currently has the following Unlisted Class of Units which are available to investors:

- Class A Units
- Class P Units

Dealing procedures

"**Business Day**", in respect of dealing of Unlisted Class of Units of the Sub-Fund, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the Sub-Fund is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part 1 of this Prospectus. The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	10:30 a.m. (Hong Kong time) on each Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the Sub-Fund into another Unlisted Class of Units of the Sub-Fund (where available). Switching of Unlisted Class of Units of the Sub-Fund to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

Payment procedure

Subscription monies in respect of the Unlisted Class of Units must be paid in RMB for Class A and Class P Units. Subscription monies in cleared funds should be received within 3 Business Days following the relevant Dealing Day on which an application was received by the Dealing Deadline, or such other period as determined by the Manager.

Redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar

month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the Sub-Fund is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units	**Class P Units**
Minimum initial investment	RMB0.01 or equivalent	RMB0.01 or equivalent
Minimum subsequent investment	RMB0.01 or equivalent	RMB0.01 or equivalent
Minimum holding	RMB0.01 or equivalent	RMB0.01 or equivalent
Minimum redemption amount	RMB0.01 or equivalent	RMB0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

Distribution Policy

The Manager intends to distribute income to Unitholders annually in December having regard to the Sub-Fund's net income after fees and costs. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. Each Unitholder will receive distributions in RMB only (whether holding RMB traded Units or HKD traded Units).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit.

Further Information

Further information in relation to the Sub-Fund (including details of distribution policy and its Net Asset Value) is available at the Manager's website (http://www.csopasset.com/en/products/rmb-money-market-etf) (the contents of which have not been reviewed by the SFC). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the Manager's website on a regular basis

Fees and Expenses

Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Listed Class of Units (primary market)**	**Amount**
	Transaction Fee	Up to RMB12,000[2] per Application
	Service Agent's fee	HKD1,000[2] per book-entry deposit and book-entry withdrawal
	Registrar Fee	RMB120[2] per transaction
	Application cancellation fee	RMB8,500[3] per Application
	Extension fee (applicable to redemption of Listed Class of Units only)	RMB8,500[4] per Application
	Stamp duty	Nil
	Transaction levy and trading fee	Nil

(b)	**Fees and expenses payable by investors of Listed Class of Units**	**Amount**
	(i) Fees payable by clients of the Participating Dealers	
	Fees and charges imposed by the Participating Dealer[5]	Such amounts as determined by the relevant Participating Dealer
	(ii) Fees payable by all investors in respect of dealings in the Listed Class of Units on	

2 Up to RMB12,000 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. The Registrar will charge a fee of RMB120 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.

3 An application cancellation fee is payable to the Trustee and / or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

4 An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

5 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

SEHK (applicable After Listing)

Brokerage	Market rates
Transaction levy	0.0027%[6]
AFRC transaction levy	0.00015%[7]
Trading fee	0.00565%[8]
Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund in respect of Listed Class of Units (see further disclosure below)**	**Amount**
Management Fee[9]		0.49% p.a. of Net Asset Value

Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Management Fee

For Class A Units, the current rate is 0.49% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.80% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5 per cent. of the subscription monies
Redemption fee	Nil
Switching fee	N/A

Fees and Expense Payable by the Sub-Fund

6 Transaction levy of 0.0027% of the price of the Listed Class of Units payable by each of the buyer and the seller.

7 AFRC transaction levy of 0.00015% of the price of the Listed Class of Units, payable by each of the buyer and the seller.

8 Trading fee of 0.00565% of the price of the Listed Class of Units, payable by each of the buyer and the seller.

9 Accrued daily and payable monthly in arrears.

Management Fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Management Fee").

Fees and expenses taken into account in determining the Sub-Fund's Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Custodian's fee, the PRC Custodian's fee, the Registrar's fee, the Service Agent's fee, the fees and expenses of the Auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or the Manager, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Manager may also pay a distribution fee to any distributor or sub-distributor of the Sub-Fund out of the Management Fee. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

The Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of the Listed Class of Units on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Investment risk. The purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not guarantee principal and the Manager has no obligation to redeem the Units at the offer value. The Sub-Fund does not have a constant Net Asset Value. The Sub-Fund is not subject to the supervision of the Hong Kong

Monetary Authority. It is not principal protected and it not protected by the deposit protection scheme.

Investors should be aware that investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in the underlying assets into which the Sub-Fund may invest. There can be no assurance that any appreciation in value of investments will occur. There is no guarantee of repayment of principal.

Active investment management risk. The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the Sub-Fund or may lose a substantial part or all of their initial investment.

Interest rate risk. The Sub-Fund seeks to achieve a return in RMB in line with prevailing money market rates. The factors influencing interest rates include, amongst other things, monetary policy, fiscal policy and inflation. If the prevailing money market rates become negative, the Sub-Fund may suffer a loss. Moreover, if the prevailing interest rate is at a low level, the Sub-Fund may also produce a negative return over a given period of time, as ongoing charges of the Sub-Fund may be higher than the interests received by the Sub-Fund.

Country concentration risk. The exposure of the Sub-Fund is concentrated in the PRC mainland and may be more volatile than funds adopting a more diversified strategy. The Sub-Fund may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting the PRC mainland generally.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager (as the QFI holder) and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via securities account(s) with the relevant depository(ies). The accounts are required to bear the name of "CSOP Asset Management Limited" as this is the name under which the QFI is approved by the relevant regulator. The PRC Custodian acts on the QFI's behalf in the inter-bank bond market and maintain the Sub-Fund's assets in custody in accordance with the terms of the PRC Custody Agreement. The QFI also selects a PRC broker (the "PRC Broker") to act on its behalf in each of the two onshore PRC securities markets as well as the PRC Custodian to maintain its assets in custody in accordance with the terms of the PRC Custody Agreement.

In the event of any default of the relevant PRC Broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the Sub-Fund.

There can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, or that dealings of the Sub-Fund will not be suspended. In extreme circumstances, the Sub-Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the

PRC mainland's securities markets, and delay or disruption in execution of trades or in settlement of trades.

The regulations which regulate investments by QFIs in the PRC mainland and the repatriation of capital from QFI investments 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 mainland 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.

PRC Custodian and PRC Broker risk. Onshore PRC assets will be maintained by the PRC Custodian in electronic form via securities account(s) with the relevant depository(ies) and a special deposit account with the PRC Custodian.

The PRC Custodian will execute transactions for the Sub-Fund in the PRC mainland markets. The QFI also selects the PRC Broker to execute transactions for the Sub-Fund in the PRC mainland markets. When selecting the PRC Broker(s), the Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. In respect of the Sub-Fund, the Manager may appoint not more than three PRC Brokers for each market (the Shenzhen Stock Exchange and the Shanghai Stock Exchange respectively) in the PRC mainland.

If the Manager considers appropriate, it is possible that a single PRC Broker will be appointed for both the Shenzhen Stock Exchange and the Shanghai Stock Exchange. Should, for any reason, the Manager be unable to use the relevant broker in the PRC mainland, the operation of the Sub-Fund would be adversely affected and may cause Units to trade at a premium or discount to the Sub-Fund's Net Asset Value. The Sub-Fund may incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC mainland, the Manager will make arrangements to ensure that the relevant PRC Broker and PRC Custodian have appropriate procedures to properly safe-keep the Sub-Fund's assets.
According to the QFI Regulations and market practice, the securities and special deposit accounts for the Sub-Fund in the PRC mainland are maintained in the joint names of the Manager as the QFI and the Sub-Fund. Although the Manager has obtained a legal opinion that the assets in such securities account would belong to the Sub-Fund, such opinion cannot be relied on as being conclusive, as the QFI Regulations are subject to the interpretation of the relevant authorities in the PRC mainland.

Investors should note that cash deposited in the cash account of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and the Sub-Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The Sub-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 case the Sub-Fund will suffer losses.

Repatriation risk. Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

QFI late settlement risk. The Sub-Fund will be required to remit RMB from Hong Kong to the PRC mainland to settle the purchase of PRC Government and Policy Bank Bonds by the Sub-Fund from time to time.

Bond Connect risk. The relevant rules and regulations on Bond Connect are subject to change which may have potential retrospective effect. Where a suspension in the trading through Bond Connect is effected, the Sub-Fund's ability to invest in or access the PRC mainland market will be

adversely affected. In such event, the Sub-Fund will have to increase its reliance on the QFI regime, and its ability to achieve its investment objective could be negatively affected.

Risks relating to repurchase agreements. In the event of the failure of the counterparty with which collateral has been placed, the Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks relating to reverse repurchase agreements. In the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. The Sub-Fund may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

Risks associated with asset backed commercial papers. The Sub-Fund invests in asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other money market instruments. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risks of investing in other money market funds. The Sub-Fund may invest in other money market funds, but does not have control of the investments of these underlying funds and there is no assurance that the investment objective and strategy of these underlying funds will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund. There may be additional costs involved when investing into these underlying funds. In particular, as an investor in such funds, the Sub-Fund will ultimately bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Investors should also note that the Sub-Fund's investment in another money market fund is not the same as the Sub-Fund placing funds on deposit with a bank or a deposit-taking company. A money market fund does not guarantee principal, and units or shares in such money market fund may not be redeemed by the Sub-Fund at its offer value.

If the Sub-Fund invests in other money market funds managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these money market funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In addition, where an underlying fund is managed by the Manager, all management fees charged by the underlying fund will be waived for the Sub-Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Risks of financial derivative instruments and collateral. The Manager may only invest in FDIs for hedging purposes, subject to the investment restrictions as set out in Part 1 of the Prospectus applicable to the Sub-Fund. These instruments can be highly volatile and expose investors to increased risk of loss. There is no guarantee that the use of FDIs for hedging purposes will be effective. Exposure to FDI may lead to a high risk of substantial loss by the Sub-Fund.

The risks associated with the use of FDIs are different from, or possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Any Sub-Fund investing in FDIs may utilise both exchange-traded and over-the-counter derivatives. Compared to equity securities, FDIs can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDIs may fall in value as rapidly as they may rise. Investors investing in such Sub-Funds are exposed to a higher degree of fluctuation in value than a Sub-Fund which does not

invest in FDIs. Transactions in over-the-counter FDIs may involve additional risk such as the risk that a counterparty defaults as there is no regulated market for such FDIs. Investing in FDIs also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. Risks associated with FDIs also include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by a Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by a Sub-Fund. There is no assurance that any derivative strategy used by a Sub-Fund will succeed.

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of any FDI transactions may be affected by market events. In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

Rebalancing risk. On 7 March 2022, the investment strategy of the Sub-Fund changed from a passive tracking investment strategy, tracking the 7-Day Fixing Repo Rate (the "Former Benchmark") to an actively managed investment strategy, which means that Sub-Fund no longer seeks to track any index or benchmark (the "Active Strategy"). The rebalancing of assets held by the Sub-Fund as a result of the change of investment strategy is anticipated to take place over a period of 15 trading days (the "Rebalancing Period"). During the Rebalancing Period, holdings of the Sub-Fund will be rebalanced from constituents of the Former Benchmark to constituents that correspond to the Active Strategy. The Manager therefore considers there is a risk that Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to prevailing money market rates or other money market funds with a similar objective. Investors who deal with Units of the Sub-Fund during the Rebalancing Period should exercise caution.

Past performance risk. As a result of the change of investment strategy, past performance of the Sub-Fund prior to 7 March 2022 was achieved under circumstances which will no longer apply. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 7 March 2022.

Debt securities investments risks

Short-term debt instruments risk. As the Sub-Fund invests in short-term debt instruments with short maturities, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.

Interest rate risk. Because the Sub-Fund invests in fixed income Securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.
As the Sub-Fund invests in PRC mainland bonds including PRC Government and Policy Bank Bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC mainland (including monetary policy and fiscal policy) may have an influence over the PRC mainland's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio,

which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

Liquidity risk. Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Sub-Fund invests in illiquid Securities or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. A disruption in the asset allocation in the Sub-Fund is also possible if underlying Securities cannot be purchased or sold. The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for PRC Government and Policy Bank bonds is not guaranteed. The Sub-Fund may suffer losses in trading such instruments. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly. As such, there can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to or which they may otherwise be able to do in respect of other HKD denominated Securities listed on the SEHK.

Sovereign Debt Risk. The Sub-Fund invests in PRC treasury bonds which are sovereign debt Securities and such investments involve special risks. The PRC mainland governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A PRC mainland governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the PRC mainland governmental entity's policy towards the International Monetary Fund and the political constraints to which a PRC mainland governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a PRC mainland governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, PRC mainland governmental entities may default on their sovereign debt. Holders of sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt on which a PRC mainland governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign (the PRC mainland government) is limited.

Issuer risk. Investment in bonds issued by the entities that are regarded as having the same credit quality or rating as the PRC mainland sovereign credit by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. An issuer suffering an adverse change in its financial condition could lower the credit quality of a Security, leading to greater price volatility of the Security. A lowering of the credit rating of a Security or its issuer may also affect the Security's liquidity, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuer of these bonds as the issuer is incorporated outside Hong Kong and subject to foreign laws.

PRC Government and Policy Bank Bonds are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer (the PRC mainland government). As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of PRC Government and Policy Bank Bonds only after all secured claims have been satisfied in full. The Sub-Fund will be fully exposed to the credit/insolvency risk of its PRC Government and Policy Bank Bonds issuer counterparties as an unsecured creditor.

Credit risk. The value of the Sub-Fund is affected by the credit worthiness of its underlying investments. A deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to widening of credit spread) of an underlying investment will adversely impact the value of such investment. Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income instruments only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Credit downgrade risk. Credit rating of issuers of fixed income instruments and credit rating of Securities may be downgraded, thus adversely affecting the value and performance of the Sub-Fund holding such investments. Although the Sub-Fund will not invest in any non-investment grade bond, investors should note that there is no assurance that the bond invested by the Sub-Fund or the bond issuer will continue to have an investment grade rating or continue to be rated.

Valuation risk. In a thinly traded market, it may be more difficult to achieve fair value when purchasing or selling underlying Securities because of the wide bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

Illiquidity of bonds close to maturity risk. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.

RMB currency risks

RMB not freely convertible and subject to Exchange controls and restrictions risk. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the PBOC, which are set daily based on the previous day's PRC mainland inter-bank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/- 0.5% to +/- 1%. However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign

exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

Any PRC mainland government's policies on exchange control and repatriation restrictions are subject to change and may reduce the liquidity as well as operation of the Sub-Fund. It may also cause suspension of creation of units of the Sub-Fund.

RMB trading and settlement of Units risk. There is no assurance that there will not be problem with the trading and settlement systems of RMB-denominated securities in Hong Kong or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB may not be capable of being implemented as envisaged. In addition, the Units are some of the first Securities with a Dual Counter (i.e. RMB traded and HKD traded Units) to be traded on the SEHK. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of the SEHK were held by the SEHK, some brokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs, there is no assurance of their readiness for dealing in RMB denominated Securities. Investors should note that not all brokers may be ready and able to carry out trading of RMB traded Units and settlement in RMB and thus they may not be able to deal in the RMB traded Units through some brokers. Investors should check with their brokers in advance if they intend to engage Dual Counter trading or in inter-counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual Counter trading services.

Non-RMB or late settlement redemption risk. Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Units cannot, in the opinion of the Manager in consultation with the Trustee, be carried out normally due to legal or regulatory circumstances beyond the control of the Trustee and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or HKD instead of in RMB (at an exchange rate determined by the Manager after consultation with the Trustee). As such, there is a risk that investors may not be able to receive, through Participating Dealers, settlement upon a redemption of Units in RMB (and may receive US dollars or HKD) or may receive settlement in RMB on a delayed basis.

Exchange rates movement between the RMB and other currencies risk. Investors in RMB traded Units whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB. In addition, investors in HKD traded Units should note that distributions on HKD traded Units will only be paid in RMB. Accordingly, foreign exchange risk will also apply to investors in HKD traded Units. There is no guarantee that RMB will appreciate in value against HKD or any other currency, or that the strength of RMB may not weaken. In such case an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB back into HKD (or any other currency).

Unavailability of the Renminbi Trading Support Facility ("TSF") risk. Investors should note that the TSF launched by HKEX is currently not made available for fixed income exchange traded funds. As such, if an investor does not have sufficient RMB, it will need to source RMB from other channels or it will only be able to buy Units through the HKD counter.

Future movements in RMB exchange rates risk. The exchange rate of the RMB ceased to be pegged to the US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. The China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of the RMB against the US dollar, Euro, Yen, pound sterling and HKD at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of the RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and HKD, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US

dollars, HKD or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for the RMB against the US dollar and the HKD was relatively stable. Since July 2005, the appreciation of the RMB has begun to accelerate. Although the PRC mainland government has constantly reiterated its intention to maintain the stability of RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the PRC mainland's trading partners.

The possibility that the appreciation of the RMB will be accelerated cannot be excluded. Further, any devaluation of the RMB could adversely affect the value of investors' investments in the Sub-Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

Offshore RMB ("CNH") market risk. The onshore RMB ("CNY") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority (the "HKMA") and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The 2 RMB markets operate independently where the flow between them is highly restricted. Although the CNH is a proxy 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. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in the Sub-Fund.

However, the current size of RMB denominated financial assets outside the PRC mainland is limited. As at the end of November 2014, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB974.14 billion. In addition, participating authorised institutions are also required by the HKMA to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be promulgated or the relevant settlement agreements between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the ability of investors to acquire Units or to sell Units affecting the liquidity and trading price of the Listed Class of Units on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB Distributions Risk. Investors should note that where a Unitholder holds Listed Class of Units traded under the HKD counter, the relevant Unitholder will only receive distributions in RMB and not HKD. In the event the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Other Investment Risks

Emerging market risk. Investing in emerging markets, such as the PRC mainland, involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Over-the-counter market risk. OTC markets such as the PRC mainland inter-bank bond market are subject to less governmental regulation and supervision of transactions than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on OTC markets. Therefore, by entering into transactions on OTC markets, the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

Economic risk. Economic instability in an emerging market such as the PRC mainland may arise when such country is heavily dependent upon commodity prices and international trade. The PRC mainland economy has been and may continue to be adversely affected by the economics of its trading partners, foreign exchange controls, managed adjustments in relative currency values, trade barriers and other protectionist measures imposed or negotiated by the countries with which they trade. Some emerging market countries have experienced currency devaluations and some have experienced economic recession causing a negative effect on their economies and Securities markets. There can be no assurance that the PRC mainland may not experience similar circumstances.

Political and social risk. Some governments in emerging market countries are authoritarian and some have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratisation and capital market development and ethnic, religious and racial disaffection, among other factors, may lead to social unrest, violence and/or labour unrest in emerging market countries such as the PRC mainland. Unanticipated political or social developments may result in sudden and significant investment losses.

Market trading risks associated with the Sub-Fund (applicable to the Listed Class of Units only)

Unit liquidity risk. Because RMB counter Units are traded in RMB, such Listed Class of Units may be inherently less liquid than other Securities which are listed on the SEHK, including other ETFs, due to the relatively limited supply of RMB (CNH) outside the PRC mainland as well as levels of demand for RMB cash and greater barriers for investors generally in trading RMB denominated SEHK listed products.

***Dual Counter risks*.** There is a risk that the market price on the SEHK of Listed Class of Units traded in HKD may deviate significantly from the market price on the SEHK of Listed Class of Units traded in RMB due to market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). The trading price of HKD traded Units or RMB traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Units traded in HKD or buying Listed Class of Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Listed Class of Units is in RMB and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Listed Class of Units in 1 counter and to sell Units in the other, or (ii) trade Listed Class of Units in both counters at the same time. In such a case another broker or CCASS participant may need to be used. Accordingly this may inhibit or delay an investor dealing in both HKD traded and RMB traded Units and may mean investors may only be able to sell their Listed

Class of Units in 1 currency. Investors are recommended to check the readiness of their brokers in respect of the Dual Counter trading and inter-counter trading.

Trading risk. The trading price of the Listed Class of Units on the SEHK is driven by market factors such as the demand and supply of the Listed Class of Units. Therefore, the Listed Class of Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Listed Class of Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Listed Class of Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Listed Class of Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Listed Class of Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

APPENDIX 3: CSOP FTSE US Treasury 20+ Years Index ETF

Key Information

Set out below is a summary of key information in respect of CSOP FTSE US Treasury 20+ Years Index ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index
Index	FTSE US Treasury 20+ Years Index (the "Index")
Base Currency	USD
Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2024 and the year ending 31 December 2024 respectively.)
Website	https://www.csopasset.com/en/products/hk-ust20 (this website has not been reviewed by the SFC)

Key information applicable to Listed Class of Units only

Initial Offer Period	9:00 a.m. (Hong Kong time) of 5 January 2024 to 4:00 p.m. (Hong Kong time) of 8 January 2024, or such other date as the Manager may determine
Initial Issue Date	9 January 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 10
Listing Date (SEHK)	Expected to be 10 January 2024, but may be postponed by the Manager to a date no later than 16 January 2024
Exchange Listing	SEHK – Main Board
Stock Code	3433

Short Stock Name	CSOP UST20
Trading Board Lot Size	10 Units
Trading Currency	HKD
Dealing Deadline	5:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Trustee may determine
Creation / Redemption Policy	Cash (USD) or in-kind
Application Unit Size (only Participating Dealers)	Minimum 50,000 Units
Management Fee	0.20% p.a. of the Net Asset Value calculated daily
Market Makers	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.
Distribution Policy	The Manager intends to distribute income quarterly (in January, April, July and October) having regard to the net income of the Sub-Fund after fees and costs. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Listed Class of Units will receive distributions**

	in HKD only.

Key information applicable to Unlisted Class of Units only

Unlisted Class of Units Offered	Class A (USD)	
Initial Offer Period	9:00 a.m. (Hong Kong time) on 5 January 2024 and ends at 4:00 p.m. (Hong Kong time) on 8 January 2024, or such other date or time as the Manager may determine for a particular Class	
Subscription Price during the Initial Offer Period	Class A (USD):	USD10
Minimum initial investment	Class A (USD):	USD1,000
Minimum subsequent investment	Class A (USD):	USD100
Minimum holding	Class A (USD):	USD1,000
Minimum redemption	Class A (USD):	USD100
Dealing Deadline	5:00 p.m. (Hong Kong time) on each Dealing Day, or such other time as the Manager in consultation with the Trustee may determine	
Management Fee	Class A (USD):	0.20% per annum of the Net Asset Value
Distribution Policy	There will be no dividend distributions in respect of Class A (USD). All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders in respect of Class A (USD).	

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Class of

Investment Strategy	Units. Please refer to the "What is the Investment Objective" and "What is the Investment Strategy?" section of this Appendix.
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the "Determination of Net Asset Value" section in Part 1 of this Prospectus.
Dealing Arrangements	Different in respect of each of Listed Class of Units and Unlisted Class of Units. In respect of the Listed Class of Units: - the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:30 a.m. (Hong Kong time) on each Dealing Day ("Day T") and ends at the Dealing Deadline at 5:00 p.m. (Hong Kong time) (for both cash and in-kind Creation Application and Redemption Application) on each Dealing Day; and - a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; - the Creation Application or Redemption Application received at or before 5:00 p.m. (Hong Kong) time (for both cash and in-kind Creation Application and Redemption Application) on Day T will be processed at the Net Asset Value per Unit of Listed Class of Units of Day T; and - the Creation Application or Redemption Application received after 5:00 p.m. (Hong Kong) time (for both cash and in-kind Creation Application and Redemption Application) on Day T will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1. In respect of the Unlisted Class of Units, the Subscription Deadline and Redemption Deadline is 5:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Class of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Class of Units submitted after 5:00 p.m. (Hong Kong time) on Day T, i.e. after

	the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1. Please refer to Schedule 1 "Provisions relating to the Offer, Creation, Redemption, Listing and Trading of the Listed Class of Units" and Schedule 2 "Provisions relating to the Offer, Subscription, Conversion and Redemption of the Unlisted Class of Units" of Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Class of Units respectively.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Class of Units – the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day and if more than 1, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Both classes of Units are subject to Management Fee. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, transaction costs, brokerage fee, transaction levy, trading fee etc.). An investment in the Unlisted Class of Units may be subject to the payment of subscription fees, but not redemption fees or switching fees. Please refer to the "Fees and Expenses" section of this Appendix.

Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. The Trustee has no objection for each class of Units to have its own Net Asset Value (i.e. one Net Asset Value for one class of Units). Please refer to the risk factor on "Differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units" in Part 1 of this Prospectus for further details.
Termination	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Class of Units may differ. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" in Part 1 of this Prospectus for further details.

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund adopts a representative sampling strategy to achieve its investment objective. A representative sampling strategy involves investing in a representative sample of securities that collectively has an investment profile that reflects the profile of the Index.

It is intended that the Sub-Fund will invest up to 100% of its Net Asset Value in the constituents of the Index ("Index Securities"). In pursuing a representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold US Treasury securities in different maturities

which are not Index Securities under extreme market conditions, provided that these securities collectively feature a high correlation with the Index. The Sub-Fund may invest up to 100% of its Net Asset Value in US Treasury securities issued by the US Federal government.

The Sub-Fund may also invest up to 10% of the Net Asset Value in cash or cash equivalents, including money market funds (which are either authorised by the SFC under Chapter 8.2 of the Code, eligible schemes under Chapter 7.11A of the Code or non-eligible schemes), for cash management purpose.

The Sub-Fund may invest no more than 10% of its Net Asset Value in financial derivative instruments (including futures such as US Treasury futures) for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund to achieve its investment objective and are beneficial to the Sub-Fund.

The Sub-Fund may conduct securities lending transactions, sale and repurchase transactions and/or reverse repurchase transactions in aggregate for up to 30% of its Net Asset Value, with the maximum level for up to 30% and expected level for approximately 20% of its Net Asset Value.

There is no current intention for the Sub-Fund to invest in urban investment bonds, structured products or instruments, structured deposits, instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt. Where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than 1 month's prior notice will be given to the Unitholders.

Overview of the US Treasury bonds market and US Treasury bonds

The US Treasury securities market primarily consists of three markets: the Treasury bonds market, the Treasury notes market and the Treasury bills market. These markets are differentiated mainly by the length of maturity of the respective underlying Treasury securities. Treasury bills mature in less than one year, Treasury notes in two to 10 years whereas Treasury bonds in 20 or 30 years.

US Treasury bonds are debt instruments issued by the US Department of Treasury.

As of late August 2023, the outstanding amount of US Treasury bonds is approximately USD4226.9 billion, comprising approximately 16.6% of the US Treasury securities market. As of June 2023, foreign investors account for 30.1% of the total US Treasury securities investor base. For the year of 2022, the daily average trading volume of US Treasury bonds was USD66.2 billion.

Treasury bonds have the longest maturity term of 20 or 30 years amongst all US Treasury securities. They are issued at and mature at US$100 par value and pay interest semi-annually. The interest rate is fixed at auction and does not vary over the life of the Treasury bond. Treasury bonds are auctioned monthly in US$100 increments, at the original issue for four months per year, and then as reopenings in the other eight months.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The Index measures the performance of the US Treasury securities with maturity greater than or equal to 20 years that are in the FTSE World Government Bond Index.

The Index is a total return index, meaning that the performance of the index includes both coupon and principal return derived from investments in US Treasury securities. The Index is a market capitalisation weighted index. The Index was launched in November 1986 and had an initial level

of 100 on 31 December 1984. The Index is denominated and quoted in USD. As at 27 February 2026, the Index had a market capitalisation of USD 1,659.70 billion and 40 constituents.

The Index is compiled and managed by FTSE Russell ("Index Provider"). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index Design Criteria

The Index includes US Treasury securities in the FTSE World Government Bond Index which fulfill all of the following criteria:

(i) *Composition* – US Treasury securities denominated in USD;

(ii) *Minimum maturity* – the securities must have a maturity greater than or equal to 20 years;

(iii) *Coupon* – the securities may pay fixed-rate coupon;

(iv) *Minimum issue size* – the securities must have a minimum USD5 billion public amount outstanding, excluding Federal Reserve holdings; and

(v) *Quality* – the securities must be rated investment grade. For the purpose of the Index, "investment grade" means a credit rating at or above BBB- by Standard & Poor's or BBB3 or higher by Moody's.

Variable rate, floating-rate, fixed-to-floating rate, index-linked, retail directed, bills, stripped zero coupon, convertibles, savings, private placements and retail bonds are excluded from the Index.

These criteria are assessed on a semi-annual basis each March and September.

Calculation

The Index is calculated daily Monday through Friday except Christmas Day and New Year's Day.

Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue's total rate of return is the percentage change in its total value over the measurement period. The components of total return for each security are price change, principal payments, coupon payments, accrued interest, and reinvestment income on intra-month cash flows. The total returns are market capitalisation-weighted using the security's beginning-of-period market value.

Total rate of return calculation methodology

Beginning-of-period value	-	(Beginning price + Beginning accrued) x Beginning par amount outstanding
End-of-period value	-	[(Ending price + Ending accrued) x (Beginning par amount outstanding – Principal payments)] + Coupon payments + Principal payments + Reinvestment income
Total rate of return (%)	-	[(End-of-period value / Beginning-of-period value) – 1] x 100

Reinvestment of cash flow

Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations.

Settlement date

In respect of monthly settlement, it takes place on the last calendar day of the month. In respect of daily settlement, it will settle on a same-day basis, except if the last business day of the month is not the last calendar day of the month, then settlement is on the last calendar day of the month.

Fixing date

Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. On each index fixing date, publicly available securities information is used to determine issue eligibility and indicative values for the following month's index profile. A preliminary profile setting out the anticipated composition of the Index is announced via the Index website one US business day following the index fixing date. Between announcement of the preliminary profile and calendar month-end, market activities will continue to be tracked and issues that are called, tendered, exchanged, or defaulted will be removed.

Each year's scheduled fixing dates are published on the Index website. Index rules stipulate that there must be a minimum of four business days following each index fixing date and before calendar month-end.

Issue eligibility

For an issue to be eligible for inclusion in the Index, all information on the issue must be publicly available on or before the fixing date, and the first settlement and interest accrual date of the issue must be on or before the end of the month. While Treasury auctions may be announced prior to the fixing date, the results must be final by the fixing date in order to be considered for inclusion.

Rebalancing

The Index is rebalanced once a month on the last business day of each month. The Index constituents and amount outstanding will be fixed on the fixing date. Index weight (market value weight) will change subject to price movement and accrued interest.

Daily preview reporting

Daily preview reporting of the Index's composition is available to provide Unitholders with an estimate of the compositional changes they can expect for the next month's profile. Daily preview files consist of a dynamic set of bonds that changes intra-month on a daily basis, to reflect the latest information regarding the eligibility of bonds for the next Index rebalance. The market value of each security in the daily preview file is updated to reflect changes in price, accrued interest and amount outstanding. Changes to bond attributes, such as credit rating and sector classifications are also reflected in these reports. Up to and including on fixing day, all index changes are indicative and subject to change until the final issue level file is published at month-end.

Additional information

The last closing index level, constituents of the Index together with their respective weightings and other important news can be accessed on https://www.ftserussell.com/ftse-fixed-income-index-returns (this website has not been reviewed by the SFC). Real-time update of the Index can be obtained through information vendors Bloomberg and Refinitiv (the Index's Bloomberg ticker is CFIIU2PL and Refinitiv ticker is FTUS_TSY_20+LCLT).

Index Licence Agreement

The initial term of the licence of the Index commenced on 2 October 2023 and shall remain in full force and effect for 12 months. The licence agreement shall be automatically renewed for 12 months unless either party to the licence agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the Index vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under licence. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Index for the purpose to which it is being put by the Manager.

The Offering Phases of Listed Class of Units

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 5 January 2024 and ends at 4:00 p.m. (Hong Kong time) on 8 January 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 10 January 2024 but may be postponed by the Manager to a date no later than 16 January 2024.

Applications for creation of Listed Class of Units may be made by way of a cash Creation Application (in USD) or an in-kind Creation Application.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Listed Class of Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Listed Class of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Listed Class of Units on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in the Listed Class of Units on the SEHK will commence on the Listing Date, which is expected to be on 10 January 2024 but may be postponed by the Manager to a date no later than 16 January 2024.

All investors may buy and sell Listed Class of Units in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Listed Class of Units in the primary market in Application Unit Size, from 9:30 a.m. (Hong Kong

time) to 5:00 p.m. (Hong Kong time) on each Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time.

Please refer to the section on "The Offering Phases" in Schedule 1 in Part 1 of this Prospectus for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Unit size	• 9:00 a.m. (Hong Kong time) on 5 January 2024 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 11 January 2024
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Listed Class of Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 8 January 2024 but may be postponed by the Manager to no later than 4:00 p.m. (Hong Kong time) on 12 January 2024
After listing (period commences on the Listing Date) • All investors may start trading Listed Class of Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Unit size	• Commence at 9:30 a.m. (Hong Kong time) on 10 January 2024, but may be postponed by the Manager to a date no later than 16 January 2024 • 9:30 a.m. (Hong Kong time) to 5:00 p.m. (Hong Kong time) on each Dealing Day

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD) or in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Listed Class of Units traded in HKD are expected to begin on 10 January 2024.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Subscription of Unlisted Class of Units

The Sub-Fund currently only offers Class A (USD) Units to investors. The Manager may in future determine to issue additional Unlisted Class of Units.

Initial Offer Period

The Initial Offer Period of the Unlisted Class of Units will commence at 9:00 a.m. (Hong Kong time) on 5 January 2024 and ends at 4:00 p.m. (Hong Kong time) on 8 January 2024 (or such other dates or times as the Manager may determine).

Initial Subscription Price

The initial Subscription Price for Class A (USD) Units is USD10. The Manager may at any time decide to close a class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part 1 of this Prospectus. The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	5:00 p.m. (Hong Kong time) on each Dealing Day (or such other time as the Manager in consultation with the Trustee may determine), as may be revised by the Manager from time to time

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the Sub-Fund into another Unlisted Class of Units of the Sub-Fund (where available). Switching of Unlisted Class of Units of the Sub-Fund to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

Payment procedure

Subscription monies in respect of the Unlisted Class of Units must be paid in USD for Class A Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager.

Redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the Sub-Fund is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to Class A (USD) Units:

	Class A (USD)
Minimum initial investment	USD1,000
Minimum subsequent investment	USD100
Minimum holding	USD1,000
Minimum redemption amount	USD100

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

Distribution Policy

In respect of the Listed Class of Units, the Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Unitholders of the Listed Class quarterly (in January, April, July and October) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders.

In respect of the Unlisted Class of Units, there will be no dividend distributions for Class A (USD). All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders in respect of Class A (USD).

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-ust20 (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-ust20 (the contents of which have not been reviewed by the SFC) and on HKEX's website.

There can be no assurance that distributions will be paid.

Distribution payment rates in respect of the Listed Class of Units will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Listed Class of Units (primary market) (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee	USD300[1] per Application
	Service Agent's fee	HKD1,000[1] per book-entry deposit and book-entry withdrawal
	Application cancellation fee	USD1,200[2] per Application
	Extension fee (applicable to redemption of Listed Class of Units only)	USD1,200[3] per Application
	Stamp duty	Nil
	Transaction levy and trading fee	Nil

1 USD300 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

2 An application cancellation fee is payable to the Trustee and / or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

3 An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

(b)	**Fees and expenses payable by investors of Listed Class of Units**	**Amount**
	(i) Fees payable by clients of the Participating Dealers (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
	(ii) Fees payable by all investors in respect of dealings in the Listed Class of Units on SEHK (applicable After Listing)	
	Brokerage	Market rates
	Transaction levy	0.0027%[5]
	AFRC transaction levy	0.00015%[6]
	Trading fee	0.00565%[7]
	Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund in respect of Listed Class of Units (see further disclosure below)**	**Amount**
	Management Fee[8]	0.20% p.a. of Net Asset Value

Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Management fee

4 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

5 Transaction levy of 0.0027% of the trading price of the Listed Class of Units payable by each of the buyer and the seller.

6 AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

7 Trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

8 Accrued daily and payable monthly in arrears.

For Class A (USD) Units, the current rate is 0.20% per annum of the Net Asset Value of Class A (USD) Units accrued daily and calculated as of each Dealing Day.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Class A (USD)
Subscription fee	Up to 5 per cent. of the subscription monies
Redemption fee	Nil
Switching fee	Nil

Fees and Expense Payable by the Sub-Fund

Management Fee

The Manager is entitled to receive a management fee for both Listed Class of Units and Unlisted Class of Units. The Management Fee is inclusive of the Trustee's fee, the Custodian's fee and the Registrar's fee. For the avoidance of doubt, any such fees and expenses exceeding the Management Fee will be borne by the Manager and will not be charged to the Sub-Fund.

Notwithstanding the above, the Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value over a 12-month period. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Sub-Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of the Listed Class of Units on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in

convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Investment risk. There is no assurance that the investment objective of the Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that investors may lose a substantial proportion or all of their investment in the Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether they can afford to bear the risks of investing in the Sub-Fund.

Concentration risk / single issuer risk. The Index is subject to concentration risk as a result of tracking the performance of a single geographical region, namely the US, and is concentrated in debt securities of a single issuer, namely the US Treasury. The Sub-Fund's value may be more volatile than that of a fund having a more diverse portfolio and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

Debt securities market risk

Interest rate risk. The Sub-Fund's investments in debt securities are subject to interest rate risk. Generally, the value of fixed income securities is expected to be inversely correlated with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Long-term debt securities in general are subject to higher sensitivity to interest rate changes than short-term debt securities. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.

As the Sub-Fund may invests in debt securities in the US market, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies of the US (including monetary policy and fiscal policy) may have an influence over the US' capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund.

Credit risk. Investment in debt securities is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest, and the value of the Sub-Fund is affected by the credit worthiness of its underlying investments. In the event of a default of the debt securities held by the Sub-Fund, valuation of the Sub-Fund's portfolio may become more difficult, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers who may not be subject to the laws of Hong Kong.

Debt securities are offered on an unsecured basis without collateral and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of debt securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Credit rating risk. The ratings of debt securities by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint and do not guarantee the credit worthiness of the debt securities and/or issuer at all times. The rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a debt security or an issuer relating to a debt security, the value of the Sub-

Fund investing in such security may be adversely affected.

Credit rating agency risk. Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Credit rating downgrading risk. In the event of a credit rating downgrading of the debt securities (or the issuers thereof) held by the Sub-Fund, the Sub-Fund's value may be adversely affected and investors may suffer a substantial loss as a result. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Valuation risk. Valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. The value of debt securities may be affected by changing market conditions or other significant events affecting valuation. For example, in the event of the credit rating downgrade of an issuer, the value of the relevant debt securities may decline rapidly, and the value of the Sub-Fund may be adversely affected.

Sovereign debt risks. By investing in debt obligations of the US Treasury, the Sub-Fund will be exposed to the direct or indirect consequences of political, social and economic changes in the US. Political changes in the US may affect the willingness of the US Treasury to make or provide for timely payments of its debt obligations. The US's economic status, as reflected, among other things, in its inflation rate, the amount of its external debt and its gross domestic product, will also affect the US Treasury's ability to honour its obligations.

The ability of the US Treasury to make timely payments on its debt obligations is likely to be influenced strongly by its balance of payments, including export performance, and its access to international credits and investments. To the extent that the US receives payment for its exports in currencies other than the currency of the relevant debt obligation, its ability to make debt payments in the currency of the relevant debt obligation could be adversely affected. To the extent that the US develops a trade deficit, it will need to depend on continuing loans from foreign governments, supranational entities or private commercial banks, aid payments from foreign governments and on inflows of foreign investment. The access of the US to these forms of external funding may not be certain, and a withdrawal of external funding could adversely affect the capacity of the US to make payments on its debt obligations. In addition, the cost of servicing debt obligations can be affected by a change in global interest rates since the majority of these debt obligations carry interest rates that are adjusted periodically based upon global rates.

The Sub-Fund's portfolio may comprise debt obligations of the US Treasury, for which a limited or no established secondary market exists. Reduced secondary market liquidity may have an adverse effect on the market price and the Sub-Fund's ability to dispose of particular instruments when necessary to meet liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for such debt obligations may also make it more difficult to obtain accurate market quotations for the purpose of determining the Net Asset Value of the Sub-Fund. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

The holder of certain sovereign debt obligations may have limited legal recourse in the event of a default with respect to such obligations. For example, remedies from defaults on certain debt obligations of governmental entities, unlike those on private debt, must, in some cases, be pursued in the courts of the defaulting party itself. Legal recourse therefore may be significantly diminished. Bankruptcy, moratorium and other similar laws applicable to issuers of sovereign debt obligations may be substantially different from those applicable to issuers of private debt obligations. The political context, expressed as the willingness of an issuer of sovereign debt obligations to meet the terms of the debt obligation, for example, is of considerable importance.

Securities lending transactions risks. The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk: The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Collateral risk: As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk: By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Sale and repurchase transactions risk. In the event of the failure of the counterparty with which collateral has been placed, the Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Reverse repurchase transactions risk. In the event of the failure of the counterparty with which cash has been placed, a Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Currency risk. The base currency of the Sub-Fund is USD but the trading currency of the Sub-Fund is in HKD. The Net Asset Value of the Sub-Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

Reliance on the Index Provider risk. The Manager will rely solely on the Index Provider for information as to the constituents of the Index. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Index, its computation or any information related thereto.

Operating risk. There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Trust Deed and as summarised the sub-section "Termination" under the section on "Statutory and General Information" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Tracking error risk. Fees, expenses, transaction costs as well as costs of using financial derivatives, liquidity of the market, inability to rebalance a Sub-Fund's holdings of securities in response to high portfolio turnover, a temporary lack of liquidity in the markets for the securities held by the Sub-Fund, changes in the constituents of the relevant Index, rounding of security prices, changes to the Index, regulatory policies and the investment strategy adopted by the Manager may result in tracking error, and reduce the correlation between the performance of the relevant Sub-Fund and the performance of the Index. The Manager will monitor and seek to

manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index by the Sub-Fund.

Passive Investment Risk. The Sub-Fund is not actively managed. Accordingly, the Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Sub-Fund and will not take defensive positions in declining markets, which means that falls in the Index are expected to result in corresponding falls in the Net Asset Value of the Sub-Fund, and investors may lose a significant part of their investment.

Representative Sampling Risk. With a representative sampling strategy, the Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that a Sub-Fund may be subject to larger tracking error.

Difference in distribution policy. The Manager will pay distributions to Unitholders of the Listed Class of Units but not to Unitholders of the Unlisted Class of Units. Distributions made in respect of the Listed Class of Units may result in an immediate reduction in its respective Net Asset Value per Unit. All income and capital gain received in the Unlisted Class of Units will be reinvested and reflected in the Net Asset Value per Unit. The difference in the distribution policies of the classes will lead to difference in the Net Asset Value between the classes.

Trading risk. The trading price of the Listed Class of Units on the SEHK is driven by market factors such as the demand and supply of the Listed Class of Units. Therefore, the Listed Class of Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Listed Class of Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Listed Class of Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Listed Class of Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Listed Class of Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

APPENDIX 4: CSOP FTSE Hong Kong Equity ETF

Key Information

Set out below is a summary of key information in respect of CSOP FTSE Hong Kong Equity ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus. The Sub-Fund offers Listed Class of Units only. Unless otherwise specified, references to "Units" in this Appendix shall refer to the Listed Class of Units.

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index
Index	FTSE MPF Hong Kong Index (the "Index")
Listing Date (SEHK)	8 May 2025
Exchange Listing	SEHK – Main Board
Stock Code	3443
Short Stock Name	CSOP HK EQUITY
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income annually (in December) having regard to the net income of the Sub-Fund after fees and costs. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Units will receive distributions in HKD only.**
Creation / Redemption Policy	Cash (HKD) or a combination of cash and in-kind ("Hybrid")
Application Unit Size (only Participating Dealers)	Minimum 300,000 Units
Dealing Deadline	(1) 3:30 p.m. (Hong Kong time) for cash applications (for all underlying market securities), (2) 4:30 p.m.

	(Hong Kong time) for applications in a combination of cash (for non-Hong Kong market securities) and in-kind (for Hong Kong market securities) and (3) 3:30 p.m. (Hong Kong time) for applications in a combination of cash (for non-Hong Kong market securities) and Hybrid (for Hong Kong market securities) on the relevant Dealing Day, or such other time as the Manager may from time to time with the written approval of the Trustee determine
Management Fee	0.1% p.a. of the Net Asset Value calculated daily
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to 31 December 2025 and for the half year ending 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-cmpf (this website has not been reviewed by the SFC)
Market Makers	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In order to achieve its investment objective, the Sub-Fund adopts a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative sample of Securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of the Index ("Index Securities").

In pursuing a representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities. The full holdings of the Sub-Fund are available on the Manager's website and will be updated on a daily basis. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Manager may also use a full replication strategy through directly investing all, or substantially all, of the assets of the Sub-Fund in Index Securities in substantially the same weightings (i.e. proportions) as the Index Securities have in the Index where the Manager considers appropriate in its absolute discretion. Prior notice will not be given to investors if the Manager switches from a physical representative sampling strategy to a full replication strategy, or vice versa.

The Manager may invest in FDIs including futures and swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide

the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant securities (net of indirect costs).

The Sub-Fund may also invest not more than 5% of its Net Asset Value in cash and/or money market funds (which are either authorised by the SFC under Chapter 8.2 of the Code, eligible schemes under Chapter 7.11A of the Code or non-eligible schemes) for cash management purpose.

The Sub-Fund may enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. Please refer to the section headed "Securities financing transactions" under "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus regarding details of the arrangements.

There is no current intention for the Sub-Fund to enter into sale and repurchase transactions or reverse repurchase transactions. Where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than 1 month's prior notice will be given to the Unitholders.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The Index is a free float-adjusted market capitalisation weighted index which consists of the Hong Kong listed HSBC Holdings, as well as eligible large cap and mid cap Hong Kong companies and Hong Kong listed Chinese companies (H shares, red chips and P chips) in the FTSE MPF All-World Index. Such Hong Kong companies and Hong Kong listed Chinese companies should be listed on the stock exchanges approved by the Mandatory Provident Fund Schemes Authority (the "MPFA"), which include the SEHK and other stock exchanges established outside Hong Kong as approved by the MPFA.

The Index forms part of the FTSE MPF Index Series. The FTSE MPF Index Series was designed to provide benchmarks for the Hong Kong market by accurately reflecting the regulatory requirements, permitted investment markets and asset classes applicable to Mandatory Provident Fund ("MPF") schemes in Hong Kong as well as accounting for any dividend withholding tax rates and investment restrictions applied to the MPF system. The FTSE MPF Index Series was launched in 2001.

The Index is a net total return index, which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax.

The Index is denominated and quoted in HKD.

The Index was launched on 1 January 2005 and had a base level of 5000 on 30 November 2000. As of 27 February 2026, the Index had net market capitalisation of HKD22,801.05 billion and 336 constituents.

The Index is compiled and managed by FTSE Russell (the "Index Provider"). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index Methodology

Index Universe

The FTSE MPF Index Series (to which the Index belongs) is based on the FTSE All-World Index

Series. In order to be included in the FTSE MPF Index Series, the security must meet the following eligibility criteria:

1. Each security of the Index must be a current constituent of the FTSE All-World Index (with exception of the Hong Kong listed HSBC Holdings in the Index). A non-constituent P chip whose associated N share is already a constituent of the FTSE All-World Index will be eligible for inclusion in the FTSE MPF Index Series at the next quarterly review after a minimum three-month trading period, subject to satisfying all other FTSE All-World Index eligibility criteria.

   The FTSE All-World Index is a market-capitalisation weighted index representing the performance of the large and mid-cap stocks from the FTSE Global Equity Index Series ("GEIS"). It targets 90% coverage of the 8 regions used to construct the GEIS universe, which include Asia Pacific ex China ex Japan, China, Developed Europe, Emerging Europe, Japan, Latin America, Middle East and Africa and North America. Countries are grouped into regions for the purpose of review.

   A size screen is applied to all eligible companies in respective regions. The companies are ranked in descending order by their full market capitalisation, and only the largest 98% of all companies in respective regions are eligible for selection.

   Market capitalisation: The FTSE All-World Index covers large and mid-cap companies. The size is determined based on ranking within its index universe by full market capitalisation. The "buffer zones" for determining the cut-off points for large cap and mid cap are as follows:

	Turnover bands (based on the index universe)	
	Eligible for Inclusion	**Eligible for Exclusion**
Large Cap	top 68%	below 72%
Mid Cap	top 86%	below 92%

   In order to be included in the FTSE All-World Index, eligible securities are required to pass the screens including minimum voting rights, investability weightings screen such as free float and minimum foreign headroom requirements, and liquidity screen.

   Minimum voting rights: Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

   Investability weightings screen: Constituents are adjusted for free float and foreign ownership limits.

   - *Free float*: Except where the investable market capitalisation of the security exceeds 10 times the regional inclusion percentage level, securities with a free float of 5% or below are excluded from the index.

   - *Minimum foreign headroom requirement*: A constituent's investability weight will be further adjusted when there is a limited foreign room available.

   Liquidity screen: Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median of daily trading volume. A security will be excluded from the FTSE All-World Index if there is not enough trading activity (mainly measured by the monthly median of daily trading volume).

   Details of the index methodologies of FTSE Global Equity Index Series including FTSE All-World Index can be accessed at the Index Provider's website at https://www.lseg.com/en/ftse-russell/indices/global-equity-index-series (this website has not been reviewed by the SFC).

2. Each security of the Index is screened by MPFA eligibility requirements in Hong Kong, including the following in order to derive the FTSE MPF All-World Index:

   All constituents within the FTSE MPF Index Series must be listed on eligible exchanges approved by MPFA[1] (the "Approved Exchanges"). Securities admitted to trading and listing on stock exchanges that are not Approved Exchanges will be excluded from the calculation of the FTSE MPF Index Series.

   Fully-paid up shares listed on an Approved Exchange will be eligible for inclusion.

   All stapled securities, such as paired shares, split shares and linked units, which represent an arrangement under which two or more securities are quoted jointly, will not be eligible for inclusion unless the securities themselves are permissible under Section 8(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation.

   Securities which are receipts or certificates entitling the holders to the economic benefits (which may or may not include voting rights) of ownership of the underlying shares of a single company will be eligible if (i) the receipts or certificates are fully paid up and do not require further or future payment; (ii) the underlying shares of the company are fully-paid up; and (iii) both the receipts/certificates and the underlying shares of the company are listed on Approved Exchanges.

   Unit trusts, mutual funds, and any collective closed-end or open-end investment schemes will not be eligible for inclusion as they are not fully permissible under the MPF regulation.

Selection of Securities

The Index is constructed by including the following securities subject to the eligibility criteria mentioned above:

- HSBC Holdings (the Hong Kong-listed line)
- Hong Kong companies
- Hong Kong listed Chinese companies (H shares, red chips and P chips)

Changes to Constituents

If a constituent ceases to be a constituent of the FTSE All-World Index Series, it will be removed from the FTSE MPF Index Series. The removal will be concurrent with its removal from the FTSE All-World Index. In addition, if a constituent becomes ineligible under the current or any new MPF regulations, it will be removed as soon as practical after giving users of the index sufficient notification of the changes before their implementation.

If a constituent is added to the FTSE All-World Index Series, it will be included in the FTSE MPF Index Series if it passes the relevant eligibility screening set out above. The inclusion in the FTSE MPF Index Series will be concurrent with its inclusion in the FTSE All-World Index.

All fast entries to the FTSE All-World Index Series will become members of the FTSE MPF Index Series if they pass the relevant eligibility screening set out above. The constituent will be added to the FTSE MPF Index Series concurrent with its inclusion in the FTSE All-World Index.

Periodic Review of Constituents

[1] The Approved Exchanges include the SEHK and other stock exchanges established outside Hong Kong as approved by the MPFA. The list of Approved Exchanges can be accessed through the MPFA webpage: https://www.mpfa.org.hk/en/info-center/laws-and-regulations/guidelines/iii_4 (this website has not been reviewed by the SFC).

The FTSE MPF Index Series is usually reviewed semi-annually in March and September, on a region-by-region basis as part of the reviews of the FTSE All-World Index Series on the same dates, based on data after the close of business on the last business day of December and June.

Any constituent changes resulting from the semi-annual reviews are implemented after the close of business on the third Friday (i.e. effective on Monday) of March and September.

Initial public offerings (IPOs) from all regions (which failed to qualify as fast entrants to the FTSE All-World Index Series) will be reviewed in June and December, besides being reviewed at semi-annual reviews. Any constituent changes resulting from the June and December reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of June and December.

All FTSE MPF Indices are subject to a 9% capping so that no constituent accounts for more than 9% of the index on a monthly basis. This is in line with the Code.

The constituents of the FTSE MPF Indices are capped monthly at 9% using prices adjusted for corporate actions as at the close of business on the second Friday each month. The capping is implemented after the close of business on the third Friday each month based on the constituents, shares in issue and free float on the next trading day following the third Friday each month.

Additional Information

The list of constituent securities of the Index with their respective weightings are available on the website of the Index Provider https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights (this website has not been reviewed by the SFC). The last closing index level, index methodology and the additional information of the Index can be found on https://www.lseg.com/en/ftse-russell/indices/mpf (this website has not been reviewed by the SFC).

Real-time updates of the Index can be obtained through information vendors Bloomberg and Reuters under the following identifiers:
Bloomberg: TFMPFHH
Reuters: .TFTGPMPF028H

Index Licence Agreement

The initial term of the licence of the Index commenced on 17 March 2025 and shall remain in full force and effect for 12 months. The licence agreement shall be automatically renewed for 12 months unless either party to the licence agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the Index vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under licence.

The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Index for the purpose to which it is being put by the Manager.

The Offering Phases

Dealings in the Units on the SEHK commenced on 8 May 2025.

All investors may buy and sell Units in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Units in the primary market in Application Unit Size, from 9:00 a.m. (Hong Kong time) to 3:30 p.m. (Hong Kong time) for cash applications (for all underlying market securities), or 4:30 p.m. (Hong Kong time) for applications in a combination of cash (for non-Hong Kong market securities) and in-kind (for Hong Kong market securities) or 3:30 p.m. (Hong Kong time) for applications in a combination of cash (for non-Hong Kong market securities) and Hybrid (for Hong Kong market securities) on each Dealing Day.

Please refer to the section on "The Offering Phases" in Schedule 1 in Part 1 of this Prospectus for details.

Redemptions of Units

Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in HKD) or in a combination of cash and in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market)

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units traded in HKD.

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 8 May 2025.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Unitholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-cmpf (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-cmpf (the contents of which have not been reviewed by the SFC) and on HKEX's website.

There can be no assurance that distributions will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Units (primary market)**	**Amount**
	Transaction Fee	Up to HKD7,800[2] per Application
	Service Agent's fee	HKD1,000[2] per book-entry deposit and book-entry withdrawal
	Application cancellation fee	HKD10,000[3] per Application
	Extension fee (applicable to redemption of Units only)	HKD10,000[4] per Application
	Stamp duty	Nil
	Transaction levy and trading fee	Nil

(b)	**Fees and expenses payable by investors**	**Amount**
	(i) Fees payable by clients of the Participating Dealers	
	Fees and charges imposed by the	Such amounts as determined by the relevant Participating Dealer

[2] Up to HKD7,800 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

[3] An application cancellation fee is payable to the Trustee and/or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

[4] An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

Participating Dealer[5]	

(ii) Fees payable by all investors in respect of dealings in the Units on SEHK

Brokerage	Market rates
Transaction levy	0.0027%[6]
AFRC transaction levy	0.00015%[7]
Trading fee	0.00565%[8]
Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund (see further disclosure below)**	**Amount**
	Management Fee[9]	0.1% p.a. of Net Asset Value

Fees and Expense Payable by the Sub-Fund

Management Fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Management Fee").

Fees and expenses taken into account in determining the Sub-Fund's Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Custodian's fee, the Registrar's fee, the Service Agent's fee, the fees and expenses of the Auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or the Manager, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Manager may also pay a distribution fee to any distributor or sub-distributor of the Sub-Fund out of the Management Fee. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Notwithstanding the above, the Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

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5 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

6 Transaction levy of 0.0027% of the trading price of the Units payable by each of the buyer and the seller.

7 AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

8 Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

9 Accrued daily and payable monthly in arrears.

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value over a 12-month period. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Sub-Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of the Units on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Establishment Costs

The cost of establishing the Sub-Fund, which are not expected to exceed HKD650,000, will be paid out of the Management Fee in respect of the Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the Sub-Fund or such other period as determined by the Manager.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Investment risk. There is no assurance that the investment objective of the Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that investors may lose a substantial proportion or all of their investment in the Sub-Fund where the relevant Index value declines. As a result, investors should carefully consider whether they can afford to bear the risks of investing in the Sub-Fund.

Equity market risk. The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

Concentration risk. The exposure of the Sub-Fund is concentrated in the Hong Kong market. The Sub-Fund's value may be more volatile than that of a fund having a more diverse portfolio and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong market.

Risks associated with Hong Kong listed Chinese companies. The Sub-Fund may invest in H shares, red chips or P chips issued by Hong Kong listed Chinese companies. Investing in such securities is subject to the risks of investing in emerging markets generally. This may involve increased risks and special considerations not typically associated with investment in companies

based in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Political changes, social instability and adverse diplomatic developments could result in the imposition of additional government restrictions affecting Hong Kong listed Chinese companies. In addition, laws and regulations affecting Hong Kong listed Chinese companies are evolving and subject to change. There is no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of Hong Kong listed Chinese companies.

The promulgation of new tax laws, regulations and practice affecting Hong Kong listed Chinese companies may operate to the advantage or disadvantage of the Unitholders. Existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice applicable to Hong Kong listed Chinese companies will be changed with retrospective effect in the future.

Moreover, there is no assurance that tax incentives currently offered to Hong Kong listed Chinese companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the Hong Kong listed Chinese companies in which the Sub-Fund invests, thereby reducing the income from, and/or value of the Units.

Securities lending transactions risks. The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk: The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Collateral risk: As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk: By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Risks of investing in FDIs. The Manager may invest in FDIs for investment and hedging purposes, subject to the investment restrictions as set out in Part 1 of the Prospectus applicable to the Sub-Fund. These instruments can be highly volatile and expose investors to increased risk of loss. There is no guarantee that the use of FDIs for hedging or investment purposes will be effective.

The risks associated with the use of FDIs are different from, or possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. The Sub-Fund may utilise both exchange-traded and over-the-counter derivatives in investing in FDIs. Compared to equity securities, FDIs can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDIs may fall in value as rapidly as they may rise. Investors investing in the Sub-Fund are exposed to a higher degree of fluctuation in value than a Sub-Fund which does not invest in FDIs. Transactions in over-the-counter FDIs may involve additional risk such as the risk that a counterparty defaults as there is no regulated market for such FDIs.

Investing in FDIs also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. Risks associated with FDIs also include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Risks of investing in other money market funds. The Sub-Fund may invest in other money market funds, but does not have control of the investments of these underlying funds and there is no assurance that the investment objective and strategy of these underlying funds will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund. There may be additional costs involved when investing into these underlying funds. In particular, as an investor in such funds, the Sub-Fund will ultimately bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. Investors should also note that the Sub-Fund's investment in another money market fund is not the same as the Sub-Fund placing funds on deposit with a bank or a deposit-taking company. A money market fund does not guarantee principal, and units or shares in such money market fund may not be redeemed by the Sub-Fund at its offer value. If the Sub-Fund invests in other money market funds managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these money market funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In addition, where an underlying fund is managed by the Manager, all management fees charged by the underlying fund will be waived for the Sub-Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Reliance on the Index Provider risk. The Manager will rely solely on the Index Provider for information as to the constituents of the Index. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Index, its computation or any information related thereto.

Operating risk. There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Trust Deed and as summarised the sub-section "Termination" under the section on "Statutory and General Information" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Tracking error risk. Fees, expenses, transaction costs as well as costs of using financial derivatives, liquidity of the market, inability to rebalance a Sub-Fund's holdings of Securities in response to high portfolio turnover, a temporary lack of liquidity in the markets for the Securities held by the Sub-Fund, changes in the constituents of the relevant Index, rounding of Security prices, changes to the Index, regulatory policies and the investment strategy adopted by the Manager may result in tracking error, and reduce the correlation between the performance of the relevant Sub-Fund and the performance of the Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication of the performance of the Index by the Sub-Fund at any given time.

Passive investment risk. The Sub-Fund is not actively managed. Accordingly, the Sub-Fund

may be affected by a decline in the market segments relating to the relevant Index. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Sub-Fund and will not take defensive positions in declining markets, which means that falls in the Index are expected to result in corresponding falls in the Net Asset Value of the Sub-Fund, and investors may lose a significant part of their investment.

Representative sampling risk*.* With a representative sampling strategy, the Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that a Sub-Fund may be subject to larger tracking error.

Trading risk. The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

APPENDIX 5: CSOP FTSE Asia Pacific Select REITs ETF

Key Information

Set out below is a summary of key information in respect of CSOP FTSE Asia Pacific Select REITs ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index
Index	FTSE EPRA Nareit Asia Pacific Select REITS Capped Net Tax Index (the "Index")
Base Currency	USD
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to 31 December 2025 and the half-year ending 30 June 2026) respectively.)
Website	https://www.csopasset.com/en/products/hk-reits (this website has not been reviewed by the SFC)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 2 May 2025 to 12:00 p.m. (Hong Kong time) of 7 May 2025, or such other date as the Manager may determine
Initial Issue Date	12 May 2025
Issue Price during the Initial Offer Period	USD 1
Listing Date (SEHK)	13 May 2025
Exchange Listing	SEHK – Main Board
Stock Code	3447
Short Stock Name	CSOP AP REITS
Trading Board Lot Size	100 Units
Trading Currency	HKD
Dealing Deadline	12:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine

Creation / Redemption Policy	Cash (USD and Singapore dollar ("SGD") and HKD (SGD and HKD only for creation during the Initial Offer Period))
Application Unit Size (only Participating Dealers)	Minimum 500,000 Units
Management Fee	0.99% p.a. of the Net Asset Value calculated daily
Trustee and Custodian Fee	Up to 0.10% of NAV calculated daily
Market Makers	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.
Distribution Policy	The Manager intends to distribute income quarterly (in January, April, July and October) having regard to the net income of the Sub-Fund after fees and costs. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Units of the Sub-Fund will receive distributions in HKD only.**

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund adopts a representative sampling strategy to achieve its investment objective. A representative sampling strategy involves investing in a representative sample of securities that collectively has an investment profile that reflects the profile of the Index.

In order to achieve the investment objective, the Sub-Fund will primarily use a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of the Index and may or may not be REITs listed in Australia, Japan, Hong Kong and Singapore. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Sub-Fund may invest up to 100% of its Net Asset Value directly in REITs listed in Australia, Japan, Hong Kong and Singapore.

The Sub-Fund may also invest up to 10% of the Net Asset Value in cash or cash equivalents, including money market funds (which are either authorised by the SFC under Chapter 8.2 of the Code, eligible schemes under Chapter 7.11A of the Code or non-eligible schemes), for cash management purpose.

The Sub-Fund may conduct securities lending transactions with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value.

Currently, the Manager has no intention to invest the Sub-Fund in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes and will not enter into sale and repurchase transactions or reverse repurchase transactions and other similar over-the-counter transactions.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The Index is designed to represent the performance of the largest 50 REITs by full market capitalisation listed in Australia, Japan, Hong Kong and Singapore. The Index is a subset of the FTSE EPRA Nareit Global Real Estate Index Series, which covers both developed and emerging markets.

The Index is a net total return index, which means that it reflects the reinvestment of dividends or distributions, after deduction of maximum withholding tax. The Index is a free float market capitalisation weighted index. The Index was launched on 28 November 2024 and had an initial level of 1000 on 16 March 2012. The Index is denominated and quoted in USD. As at 27 February 2026, the Index had an investable market capitalisation of USD 218.15 billion and 50 constituents.

The Index is compiled and managed by FTSE Russell (“Index Provider”). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index universe

The Index is a tradable index, covering the top 50 constituents in the Asia Pacific region by market capitalisation with a selection process that includes only companies listed as REITs.

The FTSE EPRA Nareit Global Real Estate Index Series includes only real estate securities that are listed and traded on an eligible stock exchange. The initial eligible universe of the Index consists of companies with the Industry Classification Benchmark Classification of Real Estate (Industry 35) and Storage Facilities (Subsector 40201050). Closed End Investments (Subsector 30204000), Computer Services (Subsector 10101010), and Hotels and Motels (Subsector 40501025) will also be included if the majority of the revenue is derived from Real Estate activities.

Selection and periodic review of constituents

The Index will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA Nareit Global Real Estate Index Series. The quarterly reviews will use data based on the close of business on the Monday 4 weeks prior to the review effective date. Any constituent changes resulting from the periodic review will be implemented after the close of business on the third Friday (i.e. effective Monday) of March, June, September and December. Subsequent adjustments in stock weightings (including free float) will become effective at the same time.

A company will be inserted into the Index at the periodic review if it rises to 40th position or above when the eligible companies are ranked by full market capitalisation (before the application of any investability weightings). For intra-review additions: when a constituent is added to the FTSE EPRA Nareit Global Index Series, it will be considered for inclusion in this Index at the next quarterly review.

A company in the Index will be deleted at the periodic review if it falls to 61st position or below when the eligible companies are ranked by full market capitalisation (before the application of any investability weightings). For intra-review deletions: a constituent will be removed from the index, if it is also removed from the FTSE EPRA Nareit Global Index Series. The deletion will be concurrent with the deletion from the FTSE EPRA Nareit Global Index Series and its weight will be distributed pro-rata amongst the remaining constituents in the Index.

Qualification criteria

Each security will be tested for liquidity semi-annual in March and September. From December 2023 prospective new constituents will be tested for liquidity each quarter.

- March review: liquidity will be tested from the first business day of January to the last business day of December of the previous year.

- June Review: Prospective new constituents will be tested from the first business day of May of the previous year to the last business day of April of the current year. The liquidity of existing constituents is not tested at this review.

- September review: liquidity will be tested from the first business day of July of the previous year to the last business day of June of the current year.

- December Review: Prospective new constituents will be tested from the first business day of November of the previous year to the last business day of October of the current year. The liquidity of existing constituents is not tested at this review.

Each security will be tested for liquidity by calculation of its median daily trading per month. Security volume data will be taken on trading days from Sunday to Friday (where applicable) when markets are open.

When calculating the median of daily trades per month a minimum of five trading days in each month must exist, otherwise the month will be ignored and not used in the count. The liquidity test will be applied on a pro-rata basis where the testing period is less than 12 months.

For each month, the daily trading volume for each security is calculated as a percentage of the shares in issue for that day adjusted by the free float at the last trading day in the testing period. These daily values are then ranked in descending order and the median is taken by selecting the

middle ranking day if there is an odd number of days and the mean of the middle two if there is an even number of days.

Daily totals with zero trades are included in the ranking; therefore, a security that fails to trade for more than half of the days in a month will have a zero median trading volume for that month. Any period of suspension will not be included in the test. Only exchange trading days will be included in the calculation i.e. exchange holidays will be excluded.

A. New issues which do not have a twelve month trading record must have a minimum 20 day trading record when reviewed. Non-constituent securities which do not turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trading volume per month in ten of the twelve months prior to a full market review, will not be eligible for inclusion in the Index Series.

B. An existing constituent must turnover at least 0.04% of its shares in issue (after the application of any free float weightings) based on its median daily trading volume per month for at least eight of the twelve months prior to a full market review. Where an existing constituent fails this test, it will be subject to a further test whereby the last six months of the testing period will be assessed on a pro-rata basis. If the constituent passes at least four out of the last six months (equating to eight out of 12 months on a pro-rata basis), it will be considered to have passed the liquidity test. Existing constituents which fail both tests will be removed.

C. New issues will become eligible for inclusion at the next quarterly review providing they trade a minimum of 20 days. They must turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trading volume each month, on a pro-rata basis since listing. For those new issues which do not have at least 50% of total assets invested in real estate, liquidity will be tested from the time the company meets this eligibility criterion. The company should meet these criteria at the time of the review.

An existing constituent of the FTSE EPRA Nareit Global Real Estate Index Series which has been removed from the index as a result of failing the liquidity screen will only be re-considered for inclusion after a period of 12 months from its deletion. For the purposes of index eligibility it will be treated as a new issue. For example, a security deleted in March 2020 would only be re-considered for eligibility at the June 2021 quarterly review at the earliest.

Furthermore, the FTSE EPRA Nareit Global Real Estate Index Series are adjusted for free float and foreign ownership limits.

Free float is calculated using available published information rounded to 12 decimal places. Companies with a free float of 5% or below are excluded from the Index.

The Index Provider's index methodology takes account of the restrictions placed on the equity holdings of foreigners in a company where these have been imposed by a government, regulatory authority or the company's constitution. The Index Provider defines "foreign headroom" as the percentage of shares available to foreign investors as a proportion of the company's Foreign Ownership Limit (FOL), i.e. (FOL – foreign holdings)/FOL. For example, if a company has a foreign ownership limit, of 49%, of which 39% is held by foreign investors, the foreign headroom is calculated as 20.41% i.e. (49% - 39%)/49%.

Existing and non-constituent securities which have not traded on 60 or more trading days during the past year (up to and including the review cut-off date), will not be eligible for (continued) index inclusion. Regular/ad-hoc market holidays, and unscheduled market closures will not count towards the total; otherwise, the reason(s) for a security's non-trading will not be considered. If a security does not have a full year of trading, the 60 day period will be pro-rated according to the number of available trading days passed since its listing.

Capping Methodology

The Index will be capped at review, with no stock having a weight greater than 10% of the Index.

The capping will be calculated using the second Friday's closing prices adjusted for corporate actions, with the constituent shares and investability weightings from the start of trading on the review implementation date (i.e. the next working day following the third Friday, as stated above).

Index Adjustments

Corporation actions and events

Constituent companies may change due to corporation actions and events. A corporate 'Action' is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. These include the following: capital repayments; rights issues/entitlement offers; stock conversion; splits (sub-division) / reverse splits (consolidation); scrip issues (capitalisation or bonus issue). A corporate 'Event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) which could result in a free float weighting change in the index. Where an index adjustment is required, the Index Provider will provide notice advising of the timing of the change.

Calculation

The Index uses actual closing mid-market or last traded prices, where available, for securities with local bourse quotations.

The Index is calculated once daily on every week day. However, on January 1st, the Index may not be disseminated. There is no separate calculation to accommodate the weekend opening of any market. In cases where a market has ad-hoc weekend trading and a market holiday on the Monday following that ad-hoc trading, the Index Provider will use the closing prices of the weekend trading in Monday's end-of-day index calculation.

The Index is calculated using the chained Paasche methodology. The performance of the Index on a given day is determined by calculating the percentage difference between the Index's market capitalisation as at the close of that day and the market capitalisation at the start of that day. "Start of the day" is defined as the previous day's close adjusted for capital changes, investability weight changes, additions and deletions. Adjustments are applied whenever capital changes take place, so that the performance of the Index reflects the experience of investors.

Additional information

The last closing index level, constituents of the Index together with their respective weightings and other important news can be accessed on https://www.lseg.com/en/ftse-russell/indices/epra-nareit (this website has not been reviewed by the SFC). Real-time update of the Index can be obtained through information vendors Bloomberg and Refinitiv (the Index's Bloomberg ticker is EPASRECN and Refinitiv ticker is .FTEPASRECNUSDN).

Index Licence Agreement

The initial term of the licence of the Index commenced on 17 March 2025 and shall remain in full force and effect for 12 months. The licence agreement shall be automatically renewed for 12 months unless either party to the licence agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"), including FTSE International Limited, European Public Real Estate Association ("EPRA"), or the National Association of Real Estate Investments Trusts ("Nareit") (and together the "Licensor Parties"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE EPRA Nareit Asia Pacific Select REITS Capped Index in the Licensor Parties. “FTSE®” and “FTSE Russell®” are a trade mark(s) of the relevant LSE Group company and are used by any other LSE Group company under license. “Nareit®” is a trade mark of Nareit, "EPRA®" is a trade mark of EPRA and all are used by the LSE Group under license.

The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The Licensor Parties do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub Fund. The Licensor Parties makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub Fund or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 2 May 2025 and ends at 12:00 p.m. (Hong Kong time) on 7 May 2025, or such other date as the Manager may determine.

Applications for creation of Units of the Sub-Fund may be made by way of a cash Creation Application (in USD and SGD and HKD (SGD and HKD only for Creation Application during the Initial Offer Period)) only.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Units of the Sub-Fund either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Units of the Sub-Fund to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Units of the Sub-Fund for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Units of the Sub-Fund on their behalf.

After Listing

“After Listing” commences on the Listing Date.

Dealings in Units of the Sub-Fund on the SEHK will commence on the Listing Date.

All investors may buy and sell Units of the Sub-Fund in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Listed Class of Units in the primary market in Application Unit Size, from 9:30 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on “The Offering Phases” in Schedule 1 in Part 1 of this Prospectus for details. The following table summarises all key events and the Manager’s expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Unit size	• 9:00 a.m. (Hong Kong time) on 2 May 2025 but may be postponed to such later time and date as determined by the Manager

The date that is four Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units of the Sub-Fund to be available for trading on the Listing Date	• 12:00 p.m. (Hong Kong time) on 7 May 2025 but may be postponed to such later time and date as determined by the Manager
After listing (period commences on the Listing Date) • All investors may start trading Units of the Sub-Fund on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Unit size	• Commence at 9:30 a.m. (Hong Kong time) on 13 May 2025, but may be postponed to such later date as determined by the Manager • 9:30 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day

Redemptions of Units of the Sub-Fund

Units of the Sub-Fund can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD) only. Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Units of the Sub-Fund

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in Units of the Sub-Fund traded in HKD.

Units of the Sub-Fund are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of the Sub-Fund on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units of the Sub-Fund traded in HKD are expected to begin on 13 May 2025.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units of the Sub-Fund on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Unitholders of the Sub-Fund quarterly (in January, April, July and October) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any

distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-reits (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-reits (the contents of which have not been reviewed by the SFC) and on HKEX's website.

There can be no assurance that distributions will be paid.

Distribution payment rates will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Units of the Sub-Fund (primary market) (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee	USD500[1] per Application
	Service Agent's fee	HKD1,000[1] per book-entry deposit and book-entry withdrawal
	Registrar Fee	USD15[1] per transaction
	Application cancellation fee	USD1,200[2] per Application
	Extension fee	USD1,200[3] per Application

[1] USD500 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. The Registrar will charge a fee of USD15 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.

[2] An application cancellation fee is payable to the Trustee and / or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

[3] An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

Stamp duty	Nil
Transaction levy and trading fee	Nil

(b)	**Fees and expenses payable by investors**	**Amount**
	(i) Fees payable by clients of the Participating Dealers (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
	(ii) Fees payable by all investors in respect of dealings in Units of the Sub-Fund on SEHK (applicable After Listing)	
	Brokerage	Market rates
	Transaction levy	0.0027%[5]
	AFRC transaction levy	0.00015%[6]
	Trading fee	0.00565%[7]
	Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund (see further disclosure below)**	**Amount**
	Management Fee[8]	0.99% p.a. of Net Asset Value
	Trustee's Fee	Up to 0.10% p.a. of Net Asset Value

4 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

5 Transaction levy of 0.0027% of the trading price of Units of the Sub-Fund payable by each of the buyer and the seller.

6 AFRC transaction levy of 0.00015% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

7 Trading fee of 0.00565% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

8 Accrued daily and payable monthly in arrears.

Fees and Expense Payable by the Sub-Fund

Management Fee

The Sub-Fund does not employ a single management fee structure. The Manager is entitled to receive a management fee which, for the avoidance of doubt, does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Trustee's and Registrar's Fee

The Trustee is entitled to receive a Trustee's fee, which is inclusive of the Custodian's fee. The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred. The Registrar is entitled to a fee of USD15 per Participating Dealer per transaction.

Investment Advisor's Fee

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees of the Investment Advisor out of the Management Fee.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value over a 12-month period. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Sub-Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of Units of the Sub-Fund on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Investment risk. There is no assurance that the investment objective of the Sub-Fund will be

achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that investors may lose a substantial proportion or all of their investment in the Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether they can afford to bear the risks of investing in the Sub-Fund.

Risks associated with investment in REITs

The Sub-Fund is not authorised by the SFC under the Code on Real Estate Investment Trusts.

General: The Sub-Fund has substantial investments in REITs affected by the risks associated with the direct ownership of real estate and risks that relate specifically to the way in which REITs are organised and operated.

Real estate sector risk: The Sub-Fund is subject to risks associated with real estate, including, without limitation, a decline in real estate values, the possibility that the issuers of real estate related securities as owners of real estate could default on mortgage payments resulting in the loss of their properties, environmental liability, changes in zoning laws, availability of financing and rise of interest rates. The value of the Sub-Fund may fluctuate in response to movements in real estate markets.

Operation and management risk: The performance and value of underlying REITs are dependent upon specialised management skills and their investments may be concentrated in relatively few properties, in a narrow geographic area or a single property type. Underlying REITs are also subject to heavy cash flow dependency and are particularly reliant on the proper functioning of capital markets.

Interest rate risk: Fluctuations in interest rates may increase the interest costs incurred by a REIT in respect of its borrowings and may have an adverse effect on the level of activity in the property market. The financial position of the REIT and its ability to make distributions may be adversely affected. Changes in interest rates may also have an impact on the trading price of the units of a REIT.

Liquidity risk: The less liquid nature of REITs (compared to other stocks) may affect the Sub-Fund's ability to acquire or dispose of such assets at the price and time it wishes to do so, which may have an adverse impact on the performance of the Sub-Fund.

Regulatory risk: Real estate income and values may be adversely affected by applicable domestic and foreign laws (including tax laws), as well as government actions. A REIT could also fail to qualify for favourable regulatory treatment.

Leveraged risk: A REIT may use leverage, which increases investment risk and the risks associated with debt financing and could adversely affect a REIT's operations and market value in periods of rising interest rates. Financial covenants related to a REIT's leveraging may affect the ability of the REIT to operate effectively. In the event that a REIT is wound up, its assets will be used to pay off creditors first and holders will only receive distributions from any remaining assets.

Risk of investing in underlying REITs listed overseas: Underlying REITs which are listed overseas are not authorised by the SFC and the dividend/payout policy of the Sub-Fund is not representative of the dividend/payout policy of underlying REITs.

Asia Pacific real estate sector concentration risk. The Sub-Fund's investments are concentrated in the real estate sector in a single geographical region (Asia Pacific, more specifically, in Australia, Japan, Hong Kong and Singapore). The Sub-Fund's value may be more volatile than that of a fund having a more diverse portfolio and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Australian, Japanese, Hong Kong and/or Singaporean markets.

Asia Pacific markets risks. Some Asia Pacific exchanges on which the Sub-Fund will invest

may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets.

Some Asia Pacific countries in which the Sub-Fund will invest may restrict foreign investment or the repatriation of income, capital or the proceeds from sale of Securities, or may intervene with foreign exchange rates. The Sub-Fund may incur higher costs investing in these countries. These restrictions may limit the Sub-Fund's ability to invest in these countries, delay the investment or repatriation of capital of the Sub-Fund and impact the Sub-Fund's ability to track the performance of the Index.

Short-term fixed income securities (including money market instruments) risks

Short-term fixed income securities risk: The Sub-Fund may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of such securities may increase which in turn may have a negative impact on the net asset value of the Sub-Fund.

Credit risk: The Sub-Fund is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Sub-Fund may invest.

Interest rate risk: The Sub-Fund's investments in fixed income securities are subject to interest rate risk. Generally, the prices of fixed income and debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Credit rating risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the fixed income securities and/or the issuers/guarantors at all times.

Credit rating downgrading risk: In the event of a credit rating downgrading of the fixed income securities (or the issuers thereof) held by the Sub-Fund, the Sub-Fund's value may be adversely affected and investors may suffer a substantial loss as a result. The Manager may or may not be able to dispose of the fixed income instruments that are being downgraded.

Sovereign debt risks: Investment in sovereign debt obligations issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers/guarantors may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Risks of investing in other collective investment schemes*.* The underlying collective investment schemes in which the Sub-Fund may invest (such as REITs and/or money market funds) may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes. There is also no guarantee that the underlying collective investment schemes will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Securities lending transactions risks*.* The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk: The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Collateral risk: As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis.

However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk: By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from realisation requests.

Currency risk. The base currency of the Sub-Fund is USD but the trading currency of the Sub-Fund is in HKD. The Net Asset Value of the Sub-Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

New index risk. The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indies with longer operating history.

Reliance on the Index Provider risk*.* The Manager will rely solely on the Index Provider for information as to the constituents of the Index. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Index, its computation or any information related thereto.

Operating risk*.* There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Trust Deed and as summarised the sub-section "Termination" under the section on "Statutory and General Information" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Tracking error risk*.* Fees, expenses, transaction costs, liquidity of the market, inability to rebalance a Sub-Fund's holdings of securities in response to high portfolio turnover, a temporary lack of liquidity in the markets for the securities held by the Sub-Fund, changes in the constituents of the relevant Index, rounding of security prices, changes to the Index, regulatory policies and the investment strategy adopted by the Manager may result in tracking error, and reduce the correlation between the performance of the relevant Sub-Fund and the performance of the Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index by the Sub-Fund.

Passive investment risk*.* The Sub-Fund is not actively managed. Accordingly, the Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Sub-Fund and will not take defensive positions in declining markets, which means that falls in the Index are expected to result in corresponding falls in the Net Asset Value of the Sub-Fund, and investors may lose a significant part of their investment.

Representative sampling risk. With a representative sampling strategy, the Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible

that a Sub-Fund may be subject to larger tracking error.

Trading risk. The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

APPENDIX 6: CSOP Huatai-PB CSI A500 ETF

Key Information

Set out below is a summary of key information in respect of CSOP Huatai-PB CSI A500 ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Type	Exchange Traded Fund authorised as a feeder collective investment scheme by the SFC under Chapters 7 and 8.6 of the Code
Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index
Index	CSI A500 Index (the "Index")
Base Currency	RMB
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to 31 December 2026 and the half-year ending 30 June 2026) respectively.)
Website	https://www.csopasset.com/en/products/hk-chp5 (this website has not been reviewed by the SFC)
Initial Offer Period	9:00 a.m. (Hong Kong time) on 23 January 2026 to 4:30 p.m. (Hong Kong time) on 26 January 2026, or such other date as the Manager may determine
Initial Issue Date	27 January 2026
Issue Price during the Initial Offer Period	RMB7.1
Listing Date (SEHK)	28 January 2026
Exchange Listing	SEHK – Main Board
Stock Code	3101
Short Stock Name	CSOP A500
Trading Board Lot Size	100 Units
Trading Currency	HKD

Dealing Deadline		2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Creation / Redemption Policy		Cash (in RMB) only
Application Unit Size (only Participating Dealers)		Minimum 200,000 Units
Parties	**Manager / QFI Holder**	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Market Makers	Please refer to the Manager's website set out above for the latest list.
	Participating Dealers	Please refer to the Manager's website set out above for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Management Fee		The management fee of the Sub-Fund can be up to 2.00% per annum of the Net Asset Value calculated daily with the current rate being 0.99 % p.a. of the Net Asset Value calculated daily. The management fee of the Master ETF is currently 0.15% per annum of the net asset value of the Master ETF calculated daily. The aggregate management fee charged in respect of the Sub-Fund is currently 1.14% per annum of the Net Asset Value of the Sub-Fund calculated daily. The maximum aggregate management fee that can be charged in respect of the Sub-Fund is 2.15% per annum of the Net Asset Value of the Sub-Fund calculated daily.
Trustee and Custodian Fee		The management fee of the Sub-Fund is inclusive of the Trustee's fee and the Manager will pay the fees

	of the Trustee out of the management fee. The Trustee's fee is inclusive of the fees payable to the Custodian and the PRC Custodian. The custodian fee of the Master ETF is currently 0.05% per annum of the net asset value of the Master ETF accrued daily. The aggregate trustee / custodian fee charged in respect of the Sub-Fund is currently 0.05% per annum of the Net Asset Value of the Sub-Fund.
Distribution Policy	Subject to the Manager's discretion, the Manager intends to distribute income annual (in December) having regard to the net income of the Sub-Fund after fees and costs. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributed to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit. **All Units of the Sub-Fund will receive distributions in RMB only.[#]**

[#] In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividends from RMB into HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions. Please refer to section "Distribution Policy" and section "RMB distributions risk" under "RMB Related Risks" in this Appendix for further details.

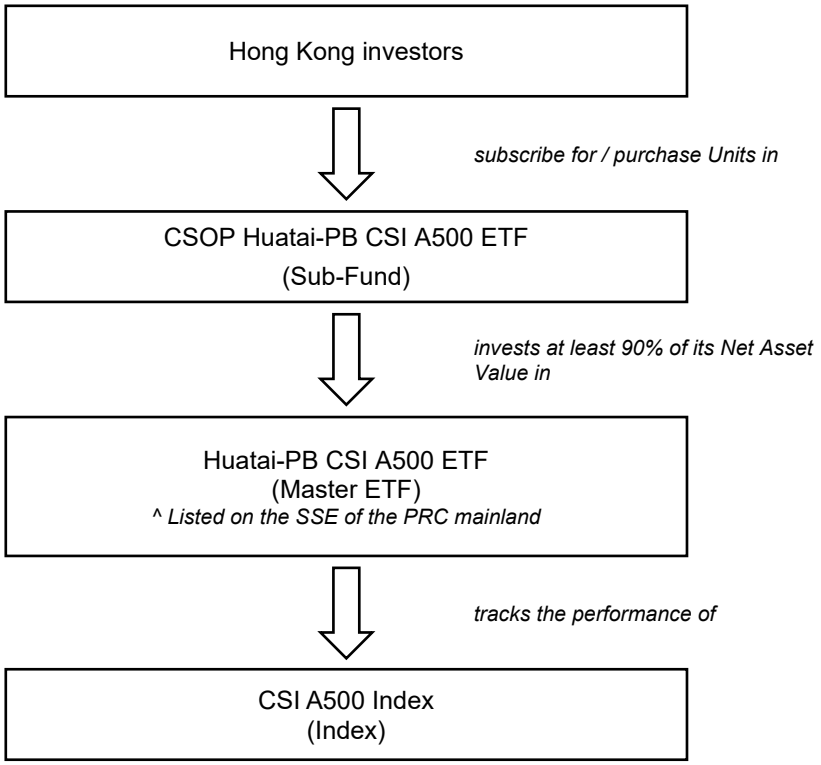
What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund is a feeder fund which, in seeking to achieve its investment objective, will invest at least 90% of its Net Asset Value in the Huatai-PB CSI A500 ETF (the "**Master ETF**") via the QFI status granted to the Manager and/or the Shanghai-Hong Kong Stock Connect. Investment in units in the Master ETF by the Sub-Fund will be made via the secondary market (i.e. through the Shanghai Stock Exchange ("**SSE**") on which the Master ETF is listed). The Master ETF is an exchange traded fund listed on the SSE that tracks the performance of the Index. The Master ETF is not authorised by the SFC and will not be directly offered to the public in Hong Kong.

The diagram below shows the investment strategy of the Sub-Fund:



Other investments

No more than 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment scheme(s) other than the Master ETF which may be eligible schemes (as defined by the SFC) or authorised by the SFC, or non-eligible schemes and not authorised by the SFC (including exchange traded funds listed on stock exchanges in the PRC mainland) in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's status as a QFI and/or Stock Connect. Any investments in the above exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The Sub-Fund may also invest up to 10% of its Net Asset Value on an ancillary basis in money market instruments, unlisted and listed money market funds and/or cash and cash equivalents for cash management purposes. For the avoidance of doubt, not more than 10% of the Net Asset Value

of the Sub-Fund may be invested in non-eligible schemes which are not authorised by the SFC, including the foregoing money market funds.

The Manager may borrow up to 10% of the Sub-Fund's Net Asset Value to acquire investments, to redeem Units or to pay expenses relating to the Sub-Fund.

The Manager does not intend to invest in financial derivative instruments for any purpose, or engage in securities lending, sale and repurchase transactions or reverse repurchase transactions on behalf of the Sub-Fund.

Use of Financial Derivative Instruments

The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

Master ETF

The Master ETF is a single fund established and managed and operates in accordance with the laws and regulations of the PRC mainland and its fund contract between its manager, Huatai-PB Fund Management Co., Ltd. (the "**MF Manager**") and its custodian, Guotai Haitong Securities Co., Ltd. (the "**MF Custodian**") effective on 25 September 2024 (the "**Fund Contract**"). The Master ETF is a publicly offered securities investment fund registered with the China Securities Regulatory Commission ("**CSRC**") under the Securities Investment Fund Law of the PRC, and remains, on an ongoing basis, registered with the CSRC for offering to the PRC mainland public, and is subject to the ongoing regulation and supervision of the CSRC. The Master ETF is not authorised by the SFC and will not be directly offered to the public in Hong Kong.

The Master ETF is a physical index-tracking exchange traded fund listed on the SSE on 15 October 2024 with stock code 563360 that tracks the performance of the Index.

The base currency and trading currency of the Master ETF is RMB.

Investment Objective and Strategy of the Master ETF

The Master ETF aims to track the performance of the Index while minimising tracking difference and tracking error.

The Master ETF adopts a full replication strategy, i.e., constructing the equity investment portfolio of the Master ETF strictly in accordance with the composition and weights of the constituent stocks (including depositary receipts) of the Index, and making corresponding adjustments in line with changes to the constituent stocks and their weights.

The proportion of the Master ETF's assets invested in the constituent stocks and stocks on the constituent reserve list (both including depositary receipts) of the Index shall not be less than 90% of the Master ETF's net asset value, and not less than 80% of the non-cash assets of the Master ETF, except in cases where legal or regulatory restrictions apply, which is regarded as a "full replication" strategy to track the Index in accordance with applicable regulations in the PRC mainland. The constituent reserve list is established by the Index Provider (as defined below) during each regular index rebalancing to be used for temporary adjustments between periodical adjustments. When the Index has constituent vacancies due to reasons such as delisting or merger, or there is a need to temporarily replace constituents for other reasons, securities that comply with the index methodology of the Index and are ranked at the top of the constituent reserve list are selected as index constituents.

When the Index undergoes periodic adjustments, or when changes are made to the Index universe or methodology, the Master ETF shall optimise and adjust its portfolio in a timely manner in accordance with the Index methodology and adjustment announcements as permitted by laws and regulations or by the CSRC, in order to minimise tracking error. The Master ETF endeavours to

control the average daily tracking difference within 0.2% and the annual tracking error within 2%.

In the event that, due to special circumstances, it may not be possible to acquire sufficient quantities of stocks, and the MF Manager will employ other reasonable investment methods (including a representative sampling strategy) to construct the actual investment portfolio of the Master ETF, aiming to approximate the performance of the Index as closely as possible. Special circumstances include, but are not limited to the following situations: (1) restrictions imposed by laws and regulations; (2) severe illiquidity of constituent stocks (including depositary receipts) of the Index; (3) long-term suspension of trading of constituent stocks (including depositary receipts) of the Index; (4) other reasonable causes that significantly constrain the MF Manager's ability to track the Index.

The Master ETF may invest in aggregate up to 10% of its net asset value in the following:

- bonds and fixed income instruments to maintain liquidity and reduce tracking error,
- asset-backed securities with investment grade on an ancillary basis, and
- financial derivatives, such as stock index futures, stock options, and treasury bond futures, only for risk management and hedging purposes.

The Master ETF will primarily select financial derivatives that are highly liquid and actively traded in accordance with risk management principles.

Furthermore, the Master ETF may engage in securities lending transactions, provided that the securities lent shall not exceed 30% of the Master ETF's net asset value.

The Master ETF's investment strategy is subject to the investment restrictions set out in the Annex to this Appendix below.

Further Information Relating to the Master ETF

Further information pertaining to the Master ETF, including the offering documents of the Master ETF (in simplified Chinese only), is available at the Master ETF's website at https://www.huatai-pb.com/ (this website has not been reviewed by the SFC). Such information is disclosed according to all applicable PRC mainland laws and regulations, and the CSRC's requirements as amended from time to time.

Management of the Master ETF

The Master ETF is managed by the MF Manager, Huatai-PB Fund Management Co., Ltd, which is a Sino-foreign joint venture fund management company. Its shareholders are Huatai Securities Co., Ltd., Heron View Partners LLC, and Suzhou New District Hi-Tech Industrial Co., Ltd. The MF Manager was established on 18 November 2004, with a registered capital of RMB 200 million. It is headquartered in Shanghai and has branches in Beijing and Shenzhen. The MF Manager's business scope includes fund management business, initiating the establishment of funds and other businesses approved by the CSRC.

The MF Custodian, Guotai Haitong Securities Co., Ltd., is appointed as the custodian of the assets of the Master ETF. Guotai Haitong Securities is a leading comprehensive financial services provider in China's securities industry. Established on 18 August 1999, Guotai Haitong Securities Co., Ltd. holds the qualification for securities investment fund custody and provides custody services for various publicly offered and privately offered funds. As of 31 December 2024, Guotai Haitong Securities Co., Ltd.'s custody and fund services business reached a total scale of over RMB 3,000 billion, of which the custody scale of publicly offered funds exceeded RMB 200 billion, ranking first in the securities industry, with over 70 publicly offered funds under custody.

Termination of the Master ETF

The Master ETF is constituted by way of the Fund Contract which may be terminated under the

following circumstances:

1. if it is determined in a general meeting of unitholders of the Master ETF that the Fund Contract shall be terminated;

2. if the appointment of the MF Manager or the MF Custodian is terminated and is not assumed by a new manager or a new custodian (as the case may be) within 6 months;

3. if the Index fails to meet the requirements, i.e. the Index deviates from the investment objective of the Master ETF (excluding situations where the Index does not meet the requirements due to factors other than fluctuations in the constituent stock prices or changes in the Index methodology), or if the Index Provider exits, the MF Manager convenes a meeting of unitholders of the Master ETF to vote on a solution, but the meeting is not successfully convened or the vote on the above matters is not passed;

4. the number of fund unit holders is less than 200 or the Master ETF's net asset value falls below RMB 50 million for 50 consecutive working days;

5. under any other circumstances as stipulated in the Fund Contract; or

6. under any other circumstances stipulated in the relevant laws and regulations and by the CSRC.

Replacement of the Master ETF

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Master ETF with another fund acceptable to the SFC with a substantially similar investment objective if in the Manager's opinion, it is in the interests of Unitholders to replace the Master ETF to meet the Sub-Fund's investment objective.

The Manager may change the name of the Sub-Fund if the Master ETF is replaced. Any replacement of the Master ETF and/or the name of the Sub-Fund will be notified to Unitholders in accordance with applicable rules and requirements.

Should the MF Manager replace the Index, the Manager, provided that in its opinion the interests of the Unitholders would not be adversely affected, may at its discretion continue to invest in the Master ETF tracking a replacement underlying index.

The Manager also reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to change the Sub-Fund from a feeder fund to a direct investment fund with a substantially similar investment objective. Any such change will also be notified to investors in accordance with applicable rules and requirements.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The Index is a free float adjusted, market capitalisation weighted index which measures overall performance of representative companies in each sector± in Chinese Mainland. The Index selects 500 securities with large market capitalisation and good liquidity from each sector±.

The Index is a price return index, which means that it calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns.

The Index was launched on 23 September 2024 and had a base level of 1,000 on 31 December 2004. As of 29 August 2025, the Index had a total market capitalisation of RMB 26641.4 billion and 500 constituents.

The Index is compiled and managed by China Securities Index Co., Ltd. ("**CSI**" or "**Index Provider**"). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index universe

The index universe consists of all the SSE and the Shenzhen Stock Exchange ("**SZSE**") listed securities, which meets the following requirements:

(1) Non-ST and *ST ("ST" stands for "Special Treatment": the "ST" label denotes companies that exhibit financial distress / abnormal financial conditions; the "*ST" label denotes companies that exhibit financial distress / abnormal financial conditions with potential delisting risk).

(2) STAR Market securities listed for more than one year.

(3) Other securities: listed for more than one quarter, unless the security is in the top 30 of the index universe in terms of average daily market capitalisation since its listing.

Eligible securities (liquidity criteria)

Securities should be ranked in the top 90% in the index universe in terms of average daily trading value over the past year in descending order are eligible for inclusion.

Constituents selection

(1) For the eligible securities, delete securities whose ESG ratings are C or below C. The ESG ratings are determined by reference to the CSI Listed Companies ESG Ratings Methodology,* a system which comprises multiple tiers with C representing the lowest band. Companies scoring below C are categorised as D, which applies to entities whose securities are under risk warnings by the SSE or the SZSE or have been involved in major illegal/criminal activities impacting national security, public safety, ecological safety, production safety, or public health and safety.

(2) Select securities which meet following criteria as candidates:

± The CSI Industry Classification Standard is a four-level, hierarchical industry classification system, which currently consists of 11 sectors, namely energy, materials, industrials, consumer discretionary, consumer staples, health care, financials, information technology, communication services, utilities, and real estate. These sectors are subdivided into 35 industry groups, 98 industries and 260 sub-industries. Further information on the CSI Industry Classification Standard is available at: https://www.csindex.com.cn/#/dataService/industryClassification (this website has not been reviewed by the SFC).

* Further information on the CSI Listed Companies ESG Ratings Methodology is available at https://www.csindex.com.cn/#/esgRating (this website has not been reviewed by the SFC).

- Rank top 1500 by average daily total market capitalisation over the past year in the index universe;
- Eligible for Shanghai or Shenzhen Stock Connect;
- For securities listed on the main board, the proportion of free float market capitalisation within the corresponding industry± should be greater than 2%.

(3) For candidates, select securities with largest free float market capitalisation in each industry± or total market capitalisation ranked top 1% in index universe as the index constituents in priority.

(4) For the remaining candidates, (i) calculate the free float market capitalisation weight of each sector± in the index constituents, (ii) identify the sector± with the lowest weight in the Index (i.e. most under-represented sector± in the Index) relative to that sector's± weight in the index universe, (iii) select securities as the index constituents from that sector± by free float market capitalisation in descending order, and (iv) this step will be repeated until the number of index constituents reach 500.

Index calculation

The Index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

Where Current Total Adjusted Market-Cap = ∑(Security Price × Number of Free Float Adjusted Shares × Weight Factor)

To reflect the variation of the real float shares in the market, the equity indices adopt the definition of free float shares (free float) in index calculation, which exclude the restricted shares and non-free float shares due to strategic holdings or other reasons from the total shares of the constituents. The remaining shares available for trading shall be deemed as free-float shares.

For shares clearly announced as restricted by listed companies and shares that fall into the four types of shares below, if the holdings are 5% or greater by a shareholder or shareholders acting in concert, such shares shall be deemed as non-free float shares. The four types of shares include:

(1) Long term holdings by founders, families, and senior executives, etc.

(2) State-owned shares: Shares held by the government or its subsidiaries.

(3) Strategic holdings: Shares held by strategic investors for long-term strategic interests.

(4) Employee share plans: Shares held by employee share plans.

Free Float = Total shares of constituent - non-free float shares

CSI estimates free float based on various objectively available information, including but not limited to:

Prospectus and listing notice: Information of the actual controlling persons, founders, strategic investors, holdings of senior executives and employees, etc. are available.

Periodic reports: Information of the actual controlling persons, founders, strategic investors, holdings of senior executives and employees, etc. are available.

Temporary reports: Shares change notice, acquisition notice, equity impawning notice, etc. are available.

CSI timely tracks the changes of free float shares and adjusts free float changes resulted from the shareholder's behaviour every six months. Each adjustment respectively takes effect on the next trading day of the 2nd Friday in June and December.

The value of weight factor is between 0 and 1, which is calculated at each rebalancing date, so that the weight of each constituent is capped at 10% and the total weight of top 5 constituents is capped at 40%.

Constituent's periodical review

The Index is adjusted and rebalanced semi-annually and the adjustment will be effective as of the next trading day after the second Friday in June and December.

A weight factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The weight factor stays the same until next rebalancing date. The number of constituents adjusted at each periodical review will not exceed 10%. Buffer rules are applied for constituent's periodic review. For old constituent listed on the main board, if its proportion of free float market capitalisation within the corresponding industry± is greater than 1%, then it is still eligible for candidates; According to the selecting results from step (4) under "***Constituents selection***" above, new candidates ranked top 400 will be given priority to add into the Index and old constituents ranked top 600 will be given priority to remain in the Index.

Additional information

The most updated list of the constituents of the Index and their respective weightings and additional information and other important news of the Index can be obtained from the website of the Index Provider at https://www.csindex.com.cn/#/indices/family/detail?indexCode=000510 (the contents of which has not been reviewed by the SFC).

Bloomberg Code: CSIA500

Index Licence Agreement

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 16 January 2026 (the "**CSOP Licence Agreement**") entered into between the Manager and CSI, to use the Index in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the Sub-Fund.

The CSOP Licence Agreement is subject to an initial fixed term of three years from 16 January 2026, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal upon 60 days prior to the expiry of the term of the CSOP Licence Agreement.

Index Provider Disclaimer

The Index is compiled and calculated by CSI. All copyright in the Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Index or under any obligation to advise any person of any error therein.

Eligibility Requirements and Authorisation Conditions

The Sub-Fund is required to comply with the applicable requirements in the Code and the Overarching Principles section of the Handbook and all other applicable regulatory requirements and guidelines as may be issued by the SFC from time to time. To be eligible and authorised as a feeder ETF, the Sub-Fund must also be a Hong Kong domiciled ETF authorised by the SFC and managed by a management company which is licensed or registered for Type 9 regulated activity and has a good compliance record.

To be eligible as a master fund and for the Sub-Fund to invest substantially all of its assets in the Master ETF, the Master ETF shall meet the following key requirements as set out in the SFC's Circular on Streamlined Requirements for Eligible Exchange Traded Funds Adopting a Master-Feeder Structure dated 16 May 2024, as amended from time to time (the "**Circular**") (or such other

requirements as imposed by the SFC from time to time):

(a) the Master ETF must be a scheme with satisfactory safeguards and measures in place to provide substantially comparable investor protection as an ETF authorised under the Code, taking into account its underlying assets, investment strategy, applicable rules and regulations in home jurisdiction;

(b) the Master ETF, together with its management company and trustee/custodian, must have a good compliance record with the rules and regulations of its home jurisdiction and (in the case of Master ETF) the listing venue; and

(c) the Master ETF must have sizeable assets under management with a good track record.

The Manager shall report to the SFC as soon as practicable if the Master ETF ceases to comply with the requirements set out in the Circular and shall take appropriate remedial action to promptly rectify the situation. The Manager will also inform Unitholders of any material change to, or event that has a significant adverse impact on, the Master ETF in a timely manner.

The Sub-Fund is authorised on the following conditions, unless otherwise approved by the SFC:

(a) the Master ETF remains approved by / registered with the CSRC and maintains primary listing on a principal Chinese Mainland stock exchange, including the SSE;

(b) the MF Manager, the MF Custodian and the Index, or such other entities or indices (as the case may be) acceptable to the SFC, shall remain as the manager, the custodian and the underlying index of the Master ETF respectively; and

(c) the Sub-Fund and the Master ETF shall meet the requirements in the Circular.

Investment Restriction Waiver

The Manager has requested of the SFC, and the SFC has granted, a waiver in respect of the Sub-Fund from:

(1) the requirement under Chapter 7.12(a) of the Code that the Master ETF must be authorised by the SFC; and

(2) the requirement under Chapter 7.12(b)(ii) of the Code that, for the purposes of complying with the investment restrictions, the Sub-Fund and the Master ETF will be deemed as a single entity.

The purpose of the waivers is to enable the Sub-Fund to invest into the Master ETF (which is not authorised by the SFC) as a feeder fund.

QFI Regime

The QFI regime is governed by rules and regulations as promulgated by the PRC mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資

者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities

(collectively, "**QFI Regulations**").

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI licence, while there is no need for a foreign institutional investor having held either a QFII or RQFII licence to re-apply for the QFI licence. Since the Manager has been granted with QFII licence and RQFII licence by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect program (as explained in the section headed "***Stock Connect***" in this Appendix).

The Sub-Fund will directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Stock Connect.

The Manager has obtained QFI status in the PRC mainland. The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the Sub-Fund in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the QFI Custody Agreement.

Securities including units of the Master ETF invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as the QFI Holder) on behalf of the Sub-Fund are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the section headed "***Risks Relating to the QFI Regime***" under "***Risk Factors Specific to the Sub-Fund***" in this Appendix.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the Sub-Fund and the QFI status

holder for the Sub-Fund. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

The Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the Sub-Fund, including onshore PRC assets of the Sub-Fund which will be maintained by the PRC Custodian via the securities account(s) with the relevant depositories and any assets deposited in the cash account(s) with the PRC Custodian (the "**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the Sub-Fund, including the Onshore PRC Assets, are registered in the name of or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with the Trustee's instructions, save as otherwise required under applicable regulations.

Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between the PRC mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the Sub-Fund) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilised by the Sub-Fund to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and ETFs are currently permitted for Northbound trading under the Stock Connect.

Currently, Hong Kong and overseas investors are allowed to trade certain securities listed on the SSE market (i.e. "**SSE Securities**") and the SZSE market (i.e. "**SZSE Securities**"). SSE Securities 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 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".

SZSE Securities include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A-Shares which have corresponding H-Shares listed on the SEHK, except the following:

(a) SZSE-listed shares which are not traded in RMB; and

(b) SZSE-listed shares which are included in the "risk alert board".

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

The list of eligible securities may be subject to review and approval by the relevant PRC mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and the PRC mainland, there may be differences in the trading days in the two markets. Even if the PRC mainland markets are open on a certain day, the Sub-Fund may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in the PRC mainland.

Likewise, during Lunar New Year and the National Day golden week periods, the PRC mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the Sub-Fund) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the Sub-Fund and are utilised on a first-come- first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The HKSCC, also a wholly-owned subsidiary of HKEX, is 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 SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their 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).

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or

SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for the SSE Securities and SZSE Securities still treats HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities.

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keeps the relevant brokers or custodians participating in CCASS ("**CCASS participants**") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE- or SZSE-listed companies usually announce their annual general meeting/ extraordinary general meeting information about one month before the meeting date. A poll is called on all resolutions for all votes. HKSCC advises CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the Sub-Fund needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the Sub-Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

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

https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

PRC Mainland Tax Provisions

In light of an announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishui [2014] No.79 and No.81 which stipulate that trading of China A-Shares and A-Share ETFs through, amongst others, RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in the PRC mainland is not effectively connected with such establishment) will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including China A-Shares and A-Share ETFs) effective from 17 November 2014. Based on professional and independent tax advice, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares and A-Share ETFs in respect of the Sub-Fund.

Please refer to the section headed "***PRC Mainland Withholding Taxation Risk***" under "***Risk Factors Relating to the PRC Mainland***" under "***Risk Factors***" in Part 1 of the Prospectus for further information on PRC mainland taxation.

PRC Mainland Market

The major differences between the PRC mainland market and the Hong Kong market

The table below summarises the differences between the PRC mainland market and the Hong Kong market:

		SEHK	**SSE**	**SZSE**
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours			
	Morning session	09:30 – 12:00	09:30 – 11:30	09:30 – 11:30
	Afternoon session	13:00 – 16:00	13:00 – 15:00	13:00 – 15:00
	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session/ order matching times			
	Pre-opening session	9:00 to 9:15	9:15 to 9:25	9:15 to 9:25
	Order matching times	9:15 to 9:20 (pre-order matching period) 9:20 to 9:28 (order matching period) 9:28 to 9:30 (blocking period)	9:30 to 11:30 and 13:00 to 15:00	9:30 to 11:30 and 13:00 to 14:57
	Close matching times	N/A	N/A	14:57 to 15:00

(d)	Trading Band Limits	No trading band limit	Daily trading band limits of 10%. Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the period it covers.	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter report shall not be earlier than the time for disclosing the annual financial report of the previous year. H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.

Investors should inform themselves of the risks associated with the differences between the PRC mainland market and the Hong Kong market, as set out in the section headed "***Risks relating to the differences between the Hong Kong and PRC mainland securities markets***" under *"**Risk Factors Specific to the Sub-Fund**"* in this Appendix.

Measures Adopted by the Manager to Address the Differences between the PRC Mainland Market and the Hong Kong Market

The Manager has adopted the following measures to address the differences between the PRC mainland market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the PRC mainland market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the Master ETF and the China A-Shares constituting the Master ETF's portfolio.

(b) Trading days: There is a difference in trading days between the PRC mainland market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

(c) If the Hong Kong market is open while the PRC mainland market is closed, Units of the Sub-

Fund will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in the section headed "***Information available on the Internet***" in Part 1 of the Prospectus. If the PRC mainland market is open while Hong Kong market is closed, the Manager will trade the Master ETF when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(d) Trading band limits: The Manager will be prevented from trading the Master ETF when it hits the "trading band limit" of 10%. If this happens on a particular trading day, the Manager will continue to trade the Master ETF on the subsequent two trading days if necessary. However if the Manager is still unable to trade the Master ETF on the second trading day after the original trading day due to the trading band limit, the Manager will settle the Master ETF on the latest closing price and the Sub-Fund will make up the trade whenever the Master ETF resumes trading again. The Manager believes that the average impact to the Sub-Fund in such situations is immaterial.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 23 January 2026 and ends at 4:30 p.m. (Hong Kong time) on 26 January 2026, or such other date as the Manager may determine.

Applications for creation of Units of the Sub-Fund may be made by way of a cash Creation Application (in RMB) only.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Units of the Sub-Fund either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Units of the Sub-Fund to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Units of the Sub-Fund for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Units of the Sub-Fund on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in Units of the Sub-Fund on the SEHK will commence on the Listing Date.

All investors may buy and sell Units of the Sub-Fund in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Units in the primary market in Application Unit Size, from 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on "***The Offering Phases***" in Schedule 1 in Part 1 of this Prospectus for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Unit size	• 9:00 a.m. (Hong Kong time) on 23 January 2026 but may be postponed to such later time and date as determined by the Manager
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units of the Sub-Fund to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 26 January 2026 but may be postponed to such later time and date as determined by the Manager
After listing (period commences on the Listing Date) • All investors may start trading Units of the Sub-Fund on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Unit size	• Commence at 9:30 a.m. (Hong Kong time) on 28 January 2026, but may be postponed to such later date as determined by the Manager • 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

Redemptions of Units of the Sub-Fund

Units of the Sub-Fund can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in RMB) only. Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Units of the Sub-Fund

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in Units of the Sub-Fund traded in HKD.

Units of the Sub-Fund are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of the Sub-Fund on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units of the Sub-Fund traded in HKD are expected to begin on 28 January 2026.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units of the Sub-Fund on the SEHK until dealings begin on the SEHK.

RMB Payment and Account Procedures

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees unless otherwise informed by the Participating Dealers that other currencies can be accepted. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separate markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside

the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to such investor by the Participating Dealer by crediting such amount into such investor's CNH bank account.

Investors should consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfer to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction will not be applicable and investors should consult their brokers as to the currency exchange service arrangement if required.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Units.

When an individual investor who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland which is RMB80,000. A remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please also refer to the section entitled "***RMB currency risks***" under "***Risk Factors Specific to the Sub-Fund***" in this Appendix for further details.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Unitholders of the Sub-Fund annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund

may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-chp5 (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in RMB only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-chp5 (the contents of which have not been reviewed by the SFC) and on HKEX's website.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in RMB. In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividends from RMB into HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Units of the Sub-Fund (primary market) (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee	RMB550[1] per Application
	Service Agent's fee	HKD1,000[1] per book-entry deposit and book-entry withdrawal
	Application cancellation fee	RMB8,500[2] per Application

[1] RMB550 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

[2] An application cancellation fee is payable to the Trustee and / or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

Extension fee	RMB8,500[3] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil

(b)	**Fees and expenses payable by investors**	**Amount**
	(i) Fees payable by clients of the Participating Dealers (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
	(ii) Fees payable by all investors in respect of dealings in Units of the Sub-Fund on SEHK (applicable After Listing)	
	Brokerage	Market rates
	Transaction levy	0.0027%[5]
	AFRC transaction levy	0.00015%[6]
	Trading fee	0.00565%[7]
	Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund (see further disclosure below)**	**Amount**
	Management Fee[8]	0.99% p.a. of Net Asset Value

3 An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

4 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

5 Transaction levy of 0.0027% of the trading price of Units of the Sub-Fund payable by each of the buyer and the seller.

6 AFRC transaction levy of 0.00015% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

7 Trading fee of 0.00565% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

8 Accrued daily and payable monthly in arrears.

Fees and Expense Payable by the Sub-Fund

Management Fee

The Manager is entitled to receive a management fee, currently 0.99% per annum of the Net Asset Value of the Fund. The management fee of the Sub-Fund can be up to 2.00% per annum of the Net Asset Value of the Sub-Fund calculated daily.

The management fee of the Master ETF is currently 0.15% per annum of the net asset value of the Master ETF calculated daily.

The aggregate management fee charged in respect of the Sub-Fund is currently 1.14% per annum of the Net Asset Value of the Sub-Fund calculated daily. The maximum aggregate management fee that can be charged in respect of the Sub-Fund is 2.15% per annum of the Net Asset Value of the Sub-Fund calculated daily.

The Management Fee is inclusive of the Trustee's fee, the Custodian's fee and the Registrar's fee. For the avoidance of doubt, any such fees and expenses exceeding the Management Fee will be borne by the Manager and will not be charged to the Sub-Fund.

Notwithstanding the above, the Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Trustee's and Registrar's Fee

The Management Fee is inclusive of the Trustee's fee and the Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the Management Fee.

The Trustee's fee is inclusive of the fees payable to the Custodian and the PRC Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred.

The custodian fee of the Master ETF is currently 0.05% per annum of the net asset value of the Master ETF accrued daily.

The aggregate trustee / custodian fee charged in respect of the Sub-Fund is 0.05% per annum of the Net Asset Value of the Sub-Fund.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value over a 12-month period. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Sub-Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of Units of the Sub-Fund on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Fees and Expense Payable by the Master ETF

By investing into the Master ETF, the Sub-Fund will bear indirectly a proportionate share of the fees payable to the MF Manager and MF Custodian and other fees, charges and expenses payable by the Master ETF, which will be reflected in the net asset value per unit of the Master ETF.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Investment risk. There is no assurance that the investment objective of the Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that investors may lose a substantial proportion or all of their investment in the Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether they can afford to bear the risks of investing in the Sub-Fund.

Each of the Sub-Fund and the Master ETF is passively managed and neither the Manager nor the MF Manager will have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund or the Master ETF (as the case may be). Declines in the Index are expected to result in corresponding decreases in the value of the Master ETF and the Sub-Fund.

Risks of investing in the Master ETF. The Sub-Fund invests substantially in the Master ETF, and may therefore be subject to the risks associated with the Master ETF. The performance of the Sub-Fund depends on the price of the Master ETF. The ability of the Sub-Fund to meet its investment objective is also largely dependent on the Master ETF.

The performance of the Sub-Fund may deviate from the performance of the Master ETF due to the Sub-Fund's holdings in investments other than units in the Master ETF, as well as the Sub-Fund's fees and expenses. While the Sub-Fund seeks to minimise the tracking difference / tracking error arising from the Master ETF, there is no guarantee that the Sub-Fund may achieve such objective via investments other than investment in units in the Master ETF, due to various factors such as timing differences or delays in adjusting the Sub-Fund's investments.

Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the Sub-Fund.

The Sub-Fund does not have control of the investments of the Master ETF and there is no assurance that the investment objective and strategy of the Master ETF will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund. Unitholders also do not have any direct interest in the units in the Master ETF and will not be able to exercise any voting right in respect of the Master ETF.

There may be additional costs involved when investing into the Master ETF. By investing in the Master ETF, the Sub-Fund will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the net asset value of the Master ETF and reflected in the net asset value per unit of the Master ETF.

There is also no guarantee that the Master ETF will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in the Master ETF at such time as it wishes to. There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Master ETF in the secondary market in the PRC mainland and these factors may have an adverse impact on the Sub-Fund and its unitholders.

The trading price of the units of the Master ETF on the SSE is driven by market factors such as the demand and supply of the units. Therefore, the units of the Master ETF may trade at a substantial premium or discount to the Master ETF's net asset value.

The Master ETF is not authorised by the SFC and is structured as an open-ended contract-type investment fund (which is different to the structure of the Sub-Fund). The Master ETF is regulated by the CSRC and is subject to the applicable PRC mainland laws and regulations. Future changes in the applicable PRC mainland laws and regulations may have an impact on the Master ETF. The management and operation of the Master ETF is also dependent on the MF Manager and its service providers.

PRC Mainland Market Risks. Insofar as the Sub-Fund invests substantially in the units of the Master ETF, which are securities issued in the PRC mainland, it will be subject to risks inherent in the PRC mainland market and additional concentration risks. Please refer to the risk factors under the section headed "***Risk Factors Relating to the PRC Mainland***" under "**Risk Factors**" in Part 1 of this Prospectus.

The existence of a liquid trading market for China A-Shares and ETFs listed in PRC mainland (such as the Master ETF) may depend on whether there is supply of, and demand for, such China A-Shares and ETFs. The price at which the China A-Shares may be purchased or sold by the Master ETF may be adversely affected if trading markets for China A-Shares are limited or absent. This may have impact on the price at which units of the Master ETF may be purchased or sold by the Sub-Fund. Further, the price at which units of the Master ETF may be purchased or sold by the Master ETF and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for the Master ETF are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares and the Master ETF are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share and China A-Share ETF market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if the units of the Master ETF is not available. Market volatility and settlement difficulties in the China A-Share and ETF markets may also result in significant fluctuations in the prices of the China A-Shares and ETFs traded on such markets and thereby may affect the value of the Sub-Fund.

Securities exchanges in the PRC mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the Sub-Fund to losses. Under such circumstances, while creation/ redemption of the Sub-Fund's Units may be suspended, subject to the Manager's discretion, the trading of the Sub-Fund on the SEHK may or may not be suspended. If trading of the Master ETF on the SZSE is suspended, it may be difficult for the Manager to determine the Net Asset Value of the Sub-Fund. Where trading of the Master ETF on the SZSE is suspended, the Manager may determine to suspend the creation and redemption of Units of the Sub-Fund, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the Sub-Fund on the SEHK continues when the trading of the Master ETF is

suspended, the trading price of the Sub-Fund may deviate away from its Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in the PRC mainland on China A-Shares and China A-Share ETFs (including the Master ETF), it may not be possible for Participating Dealers to create and/or redeem Units of the Sub-Fund on a Dealing Day, because the Master ETF may not be available if the trading band limit has been exceeded or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the Sub-Fund to losses. Further, the price of the Units of the Sub-Fund may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under the section headed "***Measures Adopted by the Manager to Address the Differences between the PRC Mainland Market and the Hong Kong Market***" in this Appendix.

Risks of investing in other funds. The Sub-Fund may invest in funds other than the Master ETF, and may therefore be subject to the risks associated with such underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

The underlying funds in which the Sub-Fund may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in such underlying funds at such time as it wishes to.

Risks Relating to the QFI Regime

QFI risk. The Sub-Fund is not a QFI but may obtain access to the Master ETF, or other permissible investments directly using the QFI status of a QFI. The Sub-Fund may invest directly in QFI eligible securities investment via the QFI status of the Manager.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance.

The PBOC and the SAFE regulate and monitor the repatriation of funds out of the PRC mainland by QFIs pursuant to the QFI Regulations. Repatriations by QFIs in respect of the Sub-Fund are currently permitted daily and are not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to the SAFE by the PRC Custodian. The repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

Relevant PRC mainland regulators are vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Regulations. Any violations could result in the revocation of the QFI's status or other regulatory sanctions and may adversely impact

on the QFI's status. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the Sub-Fund) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such circumstances may respectively result in a rejection of applications and a suspension of creation for the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to revocation of the QFI status, limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Sub-Fund, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The application of the QFI Regulations described under the section headed "***QFI Regime***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese 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.

Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the Sub-Fund.

Risks relating to liquidity of China A-Shares and ETFs. Due to the potential liquidity constraint of the Master ETF, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the Sub-Fund, and therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the Sub-Fund and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account(s), and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. The Sub-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 case the Sub-Fund will suffer.

PRC mainland brokerage risk. The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC mainland broker(s) appointed by the Manager as

a QFI. More than one PRC mainland brokers can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC mainland broker in the PRC mainland cannot be used, the operation of the Sub-Fund will be adversely affected and may cause Units of the Sub-Fund to trade at a premium or discount to its Net Asset Value or the Sub-Fund may not be able to track the Index. Further, the operation of the Sub-Fund may be adversely affected in case of any acts or omissions of the PRC mainland brokers, which may result in a higher tracking error or the Sub-Fund being traded at a significant premium or discount to its Net Asset Value.

As only a limited number of PRC mainland brokers may be appointed, the Sub-Fund may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC mainland brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC mainland brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities. As a result, the Net Asset Value of the Sub-Fund may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC mainland brokers have appropriate procedures to properly segregate the Sub-Fund's securities from those of the relevant PRC mainland brokers.

Risks Associated with Stock Connect

The Sub-Fund may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound 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 Sub-Fund's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the Sub-Fund's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) 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 PRC mainland market but Hong Kong investors (such as Sub-Fund) cannot carry out any trading via the Stock Connect. The Sub-Fund may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. 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.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an ongoing basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system was set up by the SEHK to which exchange participants need to connect). 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 Sub-Fund's ability to access the PRC mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, the HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. The HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of

SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC rules, the HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. The HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing PRC mainland practice, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

Limited Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the program.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-boundary legal enforcement in connection with cross-boundary trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of

Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the Sub-Fund may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the Sub-Fund.

RMB currency risks

RMB not freely convertible and subject to Exchange controls and restrictions risk. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the PBOC, which are set daily based on the previous day's PRC mainland inter-bank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/- 0.5% to +/- 1%. However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

Any PRC mainland government's policies on exchange control and repatriation restrictions are subject to change and may reduce the liquidity as well as operation of the Sub-Fund. It may also cause suspension of creation of units of the Sub-Fund.

Non-RMB or late settlement redemption risk. Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Units cannot, in the opinion of the Manager in consultation with the Trustee, be carried out normally due to legal or regulatory circumstances beyond the control of the Trustee and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or HKD instead of in RMB (at an exchange rate determined by the Manager after consultation with the Trustee). As such, there is a risk that investors may not be able to receive, through Participating Dealers, settlement upon a redemption of Units in RMB (and may receive US dollars or HKD) or may receive settlement in RMB on a delayed basis.

Exchange rates movement between the RMB and other currencies risk. The Sub-Fund's

base currency is RMB but Units of the Sub-Fund are traded on the SEHK in HKD. Investors whose assets and liabilities are predominantly in HKD (or in any currencies other than RMB) should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB. In addition, investors should note that distributions on Units will only be paid in RMB. Accordingly, foreign exchange risk will also apply to investors in Units. There is no guarantee that RMB will appreciate in value against any other currency, or that the strength of RMB may not weaken. In such case an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB into HKD (or any other currency).

Future movements in RMB exchange rates risk. The exchange rate of the RMB ceased to be pegged to the US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. The China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of the RMB against the US dollar, Euro, Yen, pound sterling and HKD at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of the RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and HKD, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, HKD or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for the RMB against the US dollar and the HKD was relatively stable. Since July 2005, the appreciation of the RMB has begun to accelerate. Although the PRC mainland government has constantly reiterated its intention to maintain the stability of RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the PRC mainland's trading partners.

The possibility that the appreciation of the RMB will be accelerated cannot be excluded. Further, any devaluation of the RMB could adversely affect the value of investors' investments in the Sub-Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

Offshore RMB ("CNH") market risk. The onshore RMB ("CNY") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority (the "HKMA") and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The 2 RMB markets operate independently where the flow between them is highly restricted. Although the CNH is a proxy 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. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in the Sub-Fund.

However, the current size of RMB denominated financial assets outside the PRC mainland is limited. As at the end of November 2014, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB974.14 billion. In addition, participating authorised institutions are also required by the HKMA to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The

Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be promulgated or the relevant settlement agreements between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the ability of investors to acquire Units or to sell Units affecting the liquidity and trading price of the Units on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB Distributions Risk. Investors should note that Unitholders will only receive distributions in RMB and not HKD. In the event the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Risks specific to the Master ETF

Given the Sub-Fund invests substantially in the Master ETF as a feeder fund, the Sub-Fund may also be subject to the risks associated with the Master ETF's investments:

Equity market risk: The Master ETF's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Concentration risk: The Master ETF's investments are concentrated in the PRC mainland. The value of the Master ETF and the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Master ETF and the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC mainland market. Please refer to the section headed "***PRC Mainland Market Risks***" in this Appendix for further details.

Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (the "STAR Board"). The Master ETF may invest in the ChiNext market and/or STAR Board, which are subject to the following risks:

- *Risk relating to overvaluation of stocks.* Securities listed on the ChiNext market or the STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- *Risk relating to the differences in regulations.* The rules and regulations in relation to the issuance and listing of the securities in the ChiNext market or the STAR Board are less stringent in terms of profitability and share capital than those in the main board market of the SSE or the SZSE. Given the emerging nature of companies listed on the ChiNext market or the STAR Board, there is a risk that the securities traded on ChiNext market or the STAR Board may be susceptible to higher market volatility compared to securities traded on the main board market of the SSE or the SZSE.

- *Risk of delisting.* It may be more common and faster for companies listed on the ChiNext market or the STAR Board to delist. The ChiNext market and the STAR Board have stricter criteria for delisting compared to the main boards. Hence, in more extreme circumstances, they are more susceptible to falling within one of the scenarios for delisting and consequently being delisted by the SZSE or the SSE. This may have an adverse impact on the Master ETF if the companies that it invests in are delisted.

- *Operational risk.* Listed companies in the ChiNext market or the STAR Board are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability and resistance to market risks may be lower. These instability and uncertainties may have an adverse impact on the Master ETF which may invest into companies that are listed on the ChiNext market or the STAR Board.

- *Risk associated with the fluctuation in stock prices.* Since the companies listed on the ChiNext market or the STAR Board usually have a smaller scale and shorter operating history, their ability to resist market risks is lower, and hence their stock prices may experience a higher fluctuation as the performance of these companies changes. In extreme circumstances where the trading price of the stock has hit the trading band limit, trading of the stock will be suspended. A suspension will render it impossible for the Master ETF to liquidate positions and will therefore expose the Master ETF to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Master ETF to liquidate positions at a favourable price. Conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market or the STAR Board due to the risky nature of the industries that these companies operate in. There are fewer circulating shares on the ChiNext market or the STAR Board, hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.

- *Risk associated with the technical failures.* The companies listed on the ChiNext market and the STAR Board may have an industry focus on scientific development, technology, innovation or media industries. Since these are areas with rapid development, if there are failures in the process of the scientific development which such companies are involved in and/or any major adverse events happening in the relevant industries or their development, this may result in losses in such companies and hence may have an adverse impact on the Master ETF if the Master ETF invests in those companies.

Risks relating to the differences between the Hong Kong and PRC mainland securities markets. As the SSE may be open when Units in the Sub-Fund are not priced, the value of the Master ETF may change on days when investors will not be able to purchase or sell the Sub-Fund's Units. Furthermore, the market prices of the Master ETF may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the Sub-Fund being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SSE and the SEHK may increase the level of premium/discount of the price of Units of the Sub-Fund to its Net Asset Value because if the SSE is closed while the SEHK is open, net asset value of the Master ETF may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the net asset value of the Master ETF and as a result, the level of premium or discount of the Unit price of the Sub-Fund to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in the PRC mainland on China A-Shares and China A-Share ETFs, where trading in any China A-Share and China A-Share ETF on the relevant stock exchange may be suspended if the trading price of the China A-Share or China A-Share ETF has hit the trading band limit during the day. Any dealing suspension of the Master ETF will render it impossible for the Sub-Fund to acquire units of the Master ETF or liquidate positions to reflect creation/redemption of the Units of the Sub-Fund. This may result in higher tracking error and may expose the Sub-Fund to losses. Units of the Sub-Fund may also be traded at a significant premium or discount to its Net Asset Value.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the

performance of the Index by the Master ETF. Factors such as the fees and expenses of the Master ETF, imperfect correlation between the Master ETF's assets and the underlying securities constituting the Index (the "**Index Securities**"), inability to hold the exact constituents of the Index by the Master ETF or rebalance the Master ETF's holdings of Index Securities in response to changes in the constituents of the Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the ability of the MF Manager to achieve close correlation with the Index. These factors may cause the Master ETF, and thus Sub-Fund's returns, to deviate from the Index. The Manager and the MF Manager will monitor and seek to manage such risk in order to minimise tracking error.

Management risk. The knowledge, experience, judgment, decision-making and skill of the MF Manager will affect its analysis and judgment on the economic and market conditions and the trend of securities prices, thus influencing the return of the Master ETF. In addition, the professional ethics and ethical standards of the MF Manager may also have impact on the return of the Master ETF.

Operational or technical risk. Losses to the Master ETF's assets may occur due to operational errors or violation of operating procedures resulting from deficiencies in internal control or human factors during the operation of various links of the business, for example, unauthorised illegal transactions, fraud by the accounting department and trading errors.

The failure or error of the MF Manager or Master ETF's technology system may affect the normal progress of a transaction or impact the interests of the investors. This technical risk may come from the MF Manager, registries, sales agencies, interbank bond markets, securities/futures exchanges, securities registries and China Central Depository & Clearing Co., Ltd.

Delisting risk. There is a risk that the units in the Master ETF cannot continue to be traded in the secondary market due to the early termination of listing, for example, by the resolution of the unitholders of the Master ETF or as a result of the Master ETF failing to meet the listing conditions of the relevant stock exchange. In such circumstances the Sub-Fund may not be able to continue to invest in the Master ETF.

Risk of early termination. The Master ETF may be terminated under the circumstances set out in the section headed "***Termination of the Master ETF***" in this Appendix above. If the Master ETF is terminated, or the Master ETF no longer complies with the relevant requirements applicable to the Master ETF as prescribed by the SFC, and the Manager is unable to identify or agree with another master fund that tracks the Index or a suitable replacement index that is acceptable to the SFC, the Sub-Fund may be terminated, and investors may not be able to recover their investments and suffer loss during such early termination.

Risks associated with investment in FDIs. Although the Sub-Fund will not invest in FDIs for any purpose, the Sub-Fund may have indirect exposure to FDIs through the Master ETF's investment in FDIs. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Master ETF. Exposure to FDIs may lead to a high risk of significant loss by the Master ETF, and accordingly the Sub-Fund.

Risk of investing in stock index futures. In the process of using stock index futures to hedge the market risk, the Master ETF's assets may suffer from basis risk (i.e. the risk that the futures price might not move in normal, steady correlation with the price of the underlying assets) because the stock index futures contract may not be fully consistent with the Index in its price fluctuation.

If sufficient cash is not reserved, the futures position may be subject to the risk of mandatory liquidation due to insufficient margin in case of extreme conditions in the market.

When the delivery date of the spot contract held by the Master ETF is approaching, the contract

needs to be replaced for extension of the Master ETF's position. The contract extension is subject to the risk that the basis of the contract changes in an unfavourable direction or the liquidity is insufficient.

Risks associated with securities lending transactions. The Master ETF may engage in securities lending transactions, and the risks include but are not limited to:

- *Counterparty risk*. The borrower may fail to return the securities in a timely manner or at all. The Master ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Master ETF's ability in meeting delivery or payment obligations from redemption requests.

- *Credit risk*. There is a risk that the borrower may not be able to pay the corresponding equity compensation and borrowing fee. The value of any collateral received may also fall below the value of the securities lent out.

- *Market risk*. After the securities are lent, they may face market risk that the securities cannot be disposed of in a timely manner during the lending period.

Other risks

Operating risk. There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Trust Deed and as summarised the sub-section "Termination" under the section on "Statutory and General Information" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Termination of market maker risk. A market maker may cease to act as a market maker for the Sub-Fund in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the Sub-Fund will be no less than three months. The liquidity for the Units of the Sub-Fund may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the Sub-Fund to facilitate efficient trading of Units. It is possible that there is only one market maker for the Sub-Fund or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Master ETF and thus the Index. Factors such as the fees and expenses of the Sub-Fund, investments by the Sub-Fund other than the Master ETF, rounding of the Master ETF's prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Index. These factors may cause the Sub-Fund's returns to deviate from the Master ETF, and thus the Index.

Distributions Out of or Effectively Out of Capital Risk. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of

capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund.

Trading risk. The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026

Annex to Appendix 6

Investment Restrictions of the Master ETF

Portfolio restrictions

The Master ETF’s investment portfolio shall comply with the following restrictions:

(1) The proportion of the Master ETF's assets invested in the constituent stocks and stocks on the constituent reserve list of the Index (both including depositary receipts) shall not be less than 90% of the Master ETF’s net asset value, and not less than 80% of the non-cash assets of the Master ETF.

(2) At the end of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock options, the Master ETF shall maintain cash reserves not less than the margin amount. Such cash excludes settlement reserves, refundable deposits, purchase receivables, etc..

(3) The proportion of the Master ETF’s investment in various asset-backed securities from the same original right holder shall not exceed 10% of the Master ETF’s net asset value.

(4) The market value of all asset-backed securities held by the Master ETF shall not exceed 20% of the Master ETF’s net asset value.

(5) The proportion of the same asset-backed securities (referring to those with the same credit rating) held by the Master ETF shall not exceed 10% of the total issuance size of such asset-backed securities.

(6) The total investment in asset-backed securities from the same original right holder across all funds managed by the MF Manager shall not exceed 10% of the total size of all asset-backed securities issued by that beneficiary.

(7) the Master ETF shall invest in the asset-backed securities with a credit rating of BBB or above. During the holding period, if the credit rating of any asset-backed security falls below this standard, the Master ETF shall sell it in full within 3 months of the publication of the rating report.

(8) When the Master ETF’s assets are used for stock issuance purchases, the amount declared by the Master ETF shall not exceed the total assets of the Master ETF, and the number of stocks declared shall not exceed the total number of stocks to be issued by the issuing company.

(9) The total market value of assets with limited liquidity actively invested in by the Master ETF shall not exceed 15% of the Master ETF’s net asset value. If, due to factors beyond the control of the MF Manager, such as securities market fluctuations, stock suspensions by listed companies, or changes in the Master ETF’s size, the Master ETF’s failure to meet the proportion restriction, the MF Manager shall not actively increase investments in assets with limited liquidity. Assets with limited liquidity means assets that cannot be liquidated at a reasonable price due to laws, regulations, regulatory requirements, contractual constraints, or operational obstacles, including but not limited to: reverse repurchase agreements with maturities exceeding 10 trading days, fixed-term bank deposits (including those with conditional early withdrawal clauses), suspended stocks, restricted newly issued shares and private placement stocks, asset-backed securities, bonds that cannot be transferred or traded due to issuer defaults, etc..

(10) For reverse repurchase transactions with private securities asset management products or other counterparties recognised by the CSRC, the eligibility requirements for acceptable collateral shall be consistent with the investment scope specified in the Fund Contract.

(11) The total value of the Master ETF's assets shall not exceed 140% of the Master ETF's net asset value.

(12) At the end of any trading day, the value of the purchased stock index futures contracts held shall not exceed 10% of the Master ETF's net asset value; the value of the sold stock index futures contracts held shall not exceed 20% of the market value of the Master ETF's equity holdings; the aggregate transaction amount of stock index futures contracts (excluding closing positions) in any trading day shall not exceed 20% of the Master ETF's net asset value on the previous trading day.

(13) At the end of any trading day, the value of the purchased treasury bond futures contracts held shall not exceed 15% of the Master ETF's net asset value; the value of the sold treasury bond futures contracts held shall not exceed 30% of the market value of the Master ETF's bond holdings; the aggregate transaction amount of treasury bond futures contracts (excluding closing positions) in any trading day shall not exceed 30% of the Master ETF's net asset value on the previous trading day.

(14) At the end of any trading day, the sum of the value of the purchased stock index futures contracts and treasury bond futures contracts held by the Master ETF and the market value of securities shall not exceed 100% of the Master ETF's net asset value. For this purpose, "securities" refers to stocks, bonds (excluding government bonds with maturities within one year), asset-backed securities, financial assets under a reverse repurchase (excluding pledge-style repurchase), etc..

(15) The sum (net of offsets) of the market value of the shares held by the Master ETF, and the value of the purchased and sold stock index futures contracts held by the Master ETF shall comply with the relevant provisions of the Fund Contract regarding the proportion of stock investments; The sum (net of offsets) of the market value of the bonds held by the Master ETF (excluding government bonds with a maturity of less than one year), and the value of the purchased and sold treasury bond futures contracts held by the Master ETF shall comply with the relevant provisions of the Fund Contract regarding the proportion of bond investments.

(16) The total premiums paid and received by the Master ETF for open options contracts shall not exceed 10% of the Master ETF's net asset value. When opening positions for selling call options, the Master ETF shall hold sufficient underlying securities. When opening positions for selling put options, the Master ETF shall hold the full amount of cash required for exercise of options contract or cash equivalents that are recognised by the exchange rules to offset the options margin. The notional value of open options contracts shall not exceed 20% of the Master ETF's net asset value. For this purpose, the notional value of the contract is calculated by multiplying the strike price by the contract multiplier.

(17) The Master ETF may participate in margin financing. At the end of any trading day, the sum of the market value of the stocks purchased on margin financing and other securities held by the Master ETF shall not exceed 95% of the Master ETF's net asset value

(18) When the Master ETF participates in securities lending, the following limits shall apply:

(a) securities lent shall not exceed 30% of the Master ETF's net asset value. Securities lent with a term of more than 10 trading days shall be included within the scope of securities with limited liquidity as defined in the Provisions on the Administration of Liquidity Risk of Publicly Offered Open-End Securities Investment Funds, promulgated by the CSRC on 31 August 2017, effective on 1 October 2017, as amended from time to time;

(b) the amount of any single security lent in the lending business shall not exceed 30% of the total amount of that security held by the Master ETF;

(c) over the past 6 months, the Master ETF's average daily net asset value shall not be less than RMB 200 million;

(d) the average remaining term of securities lent shall not exceed 30 days, with the average remaining term calculated on a market value-weighted basis; and

(e) if factors beyond the control of the MF Manager, such as fluctuations in the securities market, mergers of listed companies, or changes in fund size, make the Master ETF's investments fail to meet the above requirements, the MF Manager shall not initiate any new lending activities.

(19) The investment proportion restrictions for depository receipts by the Master ETF shall follow the same rules as those for stocks listed and traded on Chinese mainland exchanges, and shall be calculated on a combined basis with stocks listed and traded on Chinese mainland exchanges.

(20) Other investment restrictions prescribed by laws, regulations, rules of the CSRC, and the Fund Contract.

Except for items (2), (7), (9), (10), and (18) above, if factors beyond the control of the MF Manager, such as fluctuations in the securities and futures markets, mergers of securities issuers, changes in fund size, adjustments to the constituent stocks of the Index, or liquidity restrictions on the constituent stocks of the Index, make the Master ETF's investment ratio deviate from the aforesaid restrictions, the MF Manager shall make adjustments within 10 trading days, unless there are special circumstances as stipulated by the CSRC. If there are other provisions in laws and regulations, those provisions shall prevail.

The MF Manager shall ensure that the Master ETF's investment portfolio ratio complies with the relevant provisions of the Fund Contract within 6 months from the effective date of the Fund Contract. During the aforesaid period, the Master ETF's investment scope and investment strategies shall align with the provisions of the Fund Contract. The MF Custodian will begin supervising and inspecting the Master ETF's investments from the effective date of the Fund Contract.

If the restrictions above are cancelled or amended by laws, regulations, or regulatory authorities and such changes apply to the Master ETF, after the MF Manager completes the necessary procedures, the Master ETF's investments shall be no longer subject to these restrictions or shall follow the amended requirements.

Prohibited activities

To safeguard the legitimate rights and interests of fund unit holders, the Master ETF's assets shall not be used for the following investments or activities:

(1) underwriting securities;

(2) providing loans or guarantees to others in violation of regulations;

(3) engaging in investments with unlimited liability;

(4) buying or selling units of other funds, unless otherwise specified by the CSRC;

(5) making capital contributions to the MF Manager or MF Custodian;

(6) engaging in insider trading, manipulating securities prices, or other improper securities trading activities;

(7) engaging in other activities prohibited by laws, administrative regulations or rules of the CSRC.

If the restrictions above are cancelled or amended by laws, regulations, or regulatory authorities and such changes apply to the Master ETF, after the MF Manager completes the necessary procedures, the Master ETF's investments shall be no longer subject to these restrictions or shall

follow the amended requirements.

When using the Master ETF's assets to buy or sell securities issued by the MF Manager, the MF Custodian, their controlling shareholders, actual controllers, or companies with a significant conflict of interest, or securities underwritten during the underwriting period, or engaging in other major related-party transactions, the MF Manager shall comply with the Master ETF's investment objectives and investment strategies. The MF Manager shall prioritise the interests of fund unit holders, prevent conflicts of interest, and establish a sound internal approval and evaluation system to conduct transactions at fair and reasonable market prices. The related-party transactions must be approved by the MF Custodian in advance and disclosed in accordance with applicable laws and regulations. Major related-party transactions shall be submitted to the MF Manager's board of directors for review and approved by more than two-thirds of the independent directors. The MF Manager's board of directors shall review related-party transactions at least on a semi-annually basis.

APPENDIX 7: CSOP Gold ETF

Key Information

Set out below is a summary of key information in respect of CSOP Gold ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark
Benchmark	The morning fixing price of gold per troy ounce calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded, or any benchmark as acceptable and approved under the relevant requirement(s) of the Code (the "Benchmark")
Base Currency	USD
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to 31 December 2026 and the half-year ending 30 June 2027) respectively.)
Website	https://www.csopasset.com/en/products/hk-cgdf (this website has not been reviewed by the SFC)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 16 April 2026 to 4:30 p.m. (Hong Kong time) of 17 April 2026, or such other date as the Manager may determine
Initial Issue Date	20 April 2026
Issue Price during the Initial Offer Period	USD 0.92 or such other amount from time to time reasonably determined by the Manager
Listing Date (SEHK)	21 April 2026
Exchange Listing	SEHK – Main Board
Stock Code	3030
Short Stock Name	CSOP GOLD
Trading Board Lot Size	100 Units
Trading Currency	HKD
Dealing Deadline	4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Creation / Redemption Policy	Cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold or by a combination of both

Application Unit Size (only Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Management Fee	0.40% per annum of the net asset value of the Sub-Fund calculated daily
Trustee Fee	Up to 0.10% of NAV calculated daily
Market Makers	Please refer to the Manager's website set out above for the latest list.
Participating Dealers	Please refer to the Manager's website set out above for the latest list.
Distribution Policy	No Dividend

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In order to achieve its investment objective, the Sub-Fund will acquire and hold Bullion ("Bullion" means gold in the form of uniquely identifiable bars or ingots of minimum fineness of 99.5% gold from an approved refiner on the LBMA Good Delivery List of Acceptable Refiners: Gold).

No more than 10% of the Sub-Fund's NAV may, in aggregate, be invested in:

(i) cash (HKD or USD) and other HKD or USD denominated short-term deposits with authorized institutions in Hong Kong, high quality money market instruments (issued by governments, quasi-governments, international organisations, financial institutions and corporations);
(ii) money market funds authorized by the SFC;
(iii) paper gold schemes authorized by the SFC;
(iv) other physical ETFs authorized by the SFC and listed on the SEHK (whose primary investment objective is to track the performance of a gold benchmark);
(v) collective investment scheme investing in physical gold authorized by the SFC; and/or
(vi) financial derivative instruments (such as gold futures);

for the purposes of (i) maximizing portfolio management efficiency and minimizing transaction costs, (ii) cash management and/or (iii) hedging.

Accordingly the Sub-Fund will not at all times be fully invested in Bullion. Any investments in physical ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

In order to pay ongoing fees and expenses of the Sub-Fund, the Sub-Fund may need to sell Bullion and retain a level of cash in Hong Kong dollars to pay for such outgoings. The Sub-Fund will not lend its Bullion.

The Sub-Fund is also subject to the investment and borrowing restrictions as set out in the section of this Prospectus entitled "Investment Restrictions".

What is the LBMA Gold Price AM?

Any Bullion which is deliverable or delivered to Sub-Fund shall be measured in fine weight of troy ounces and/or kilograms and shall be valued in the following manners: (i) Bullion measured in fine weight of troy ounces shall be valued based upon the LBMA Gold Price AM; and (ii) Bullion measured in fine weight of kilograms shall be valued based upon the LBMA Gold Price AM multiplied by a conversion factor in accordance with the Conversion Table published by the LBMA and as updated from time to time.

The LBMA Gold Price AM is a price calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded.

The IBA's electronic price fixing processes used to determine the fixing for gold will establish and publish fixed prices for troy ounces of gold twice each London trading day during fixing sessions beginning at 10:30 a.m. London time and 3:00 p.m. London time (together with the LBMA Gold Price AM, the "LBMA Gold Prices"). At these times, participants in the auction process will place buy and sell orders via the IBA's electronic platform. Within the auction process, aggregated gold bids and offers will be updated in real-time with the imbalance calculated and the price updated every 30 seconds until the buy and sell orders are matched and the LBMA Gold Prices will be set at the price at which the orders matched. In this way the LBMA Gold Prices will be set in a fully transparent and auditable process. Additionally, it is expected that IBA will require participants in the LBMA Gold Prices to sign up to codes of conduct in relation to participation of the LBMA Gold Prices to ensure further governance over the process and ensure that it will be administered in a way consistent with applicable regulation such as the International Organisation of Securities Commissions' "Principles for Financial Benchmarks".

During London trading hours on a daily basis, the LBMA Gold Prices each provide reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either of the LBMA Gold Prices, and market participants will usually refer to such prices when looking for a basis for valuations. Both the IBA and the LBMA are independent of the Manager and its Connected Persons. The LBMA Gold Prices are a widely used international benchmark for daily gold prices and to be viewed as a full and fair representation of all market interest at the conclusion of the electronic price fixing process.

The Net Asset Value of the Sub-Fund will be valued by reference to the LBMA Gold Price AM. Further information on the determination of Net Asset Value is set out in the section of this Prospectus entitled "Determination of Net Asset Value".

The LBMA Gold Price AM published by the IBA at any time is available on the IBA's website www.theice.com/iba (this website has not been reviewed by the SFC) as well as on the LBMA's website www.lbma.org.uk (this website has not been reviewed by the SFC).

All references to the LBMA Gold Price AM are used with the permission of IBA which for the avoidance of doubt has no responsibility whatsoever for the Sub-Fund and this Prospectus.

Any change to the use of the LBMA Gold Price AM as the Sub-Fund's benchmark may only be made in accordance with the Trust Deed (and with the SFC's prior approval) and will only be effective upon not less than one month's prior notice (or such other period as may be agreed with the SFC) being given to Unitholders.

Disclaimer

THE LBMA GOLD PRICE, WHICH IS ADMINISTERED AND PUBLISHED BY ICE BENCHMARK ADMINISTRATION LIMITED (IBA), SERVES AS, OR AS PART OF, AN INPUT OR UNDERLYING REFERENCE FOR CSOP GOLD ETF.

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IBA AND ITS AFFILIATES MAKE NO CLAIM, PREDICATION, WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM ANY USE OF THE LBMA GOLD PRICE, OR THE APPROPRIATENESS OR SUITABILITY OF THE LBMA GOLD PRICE FOR ANY PARTICULAR PURPOSE TO WHICH IT MIGHT BE PUT, INCLUDING WITH RESPECT TO CSOP GOLD ETF. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED

TERMS, CONDITIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, AS TO QUALITY, MERCHANTABILITY, FITNESS FOR PURPOSE, TITLE OR NON-INFRINGEMENT, IN RELATION TO THE LBMA GOLD PRICE, ARE HEREBY EXCLUDED AND NONE OF IBA OR ANY OF ITS AFFILIATES WILL BE LIABLE IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), FOR BREACH OF STATUTORY DUTY OR NUISANCE, FOR MISREPRESENTATION, OR UNDER ANTITRUST LAWS OR OTHERWISE, IN RESPECT OF ANY INACCURACIES, ERRORS, OMISSIONS, DELAYS, FAILURES, CESSATIONS OR CHANGES (MATERIAL OR OTHERWISE) IN THE LBMA GOLD PRICE, OR FOR ANY DAMAGE, EXPENSE OR OTHER LOSS (WHETHER DIRECT OR INDIRECT) YOU MAY SUFFER ARISING OUT OF OR IN CONNECTION WITH THE LBMA GOLD PRICE OR ANY RELIANCE YOU MAY PLACE UPON IT.

Where will the Sub-Fund's Bullion be held?

All Bullion deposited with the Sub-Fund will be safekept at the Designated Vault(s) ("Designated Vault" means the vault(s) of the Gold Custodian and/or the Sub-Gold Custodian(s) located in Hong Kong, at which the Bullion of the Sub-Fund will be safekept), which is/are located in Hong Kong.

Who are the Gold Custodian and the Sub-Gold Custodians of the Sub-Fund's Bullion?

Please refer to the sub-section headed "The Gold Custodian and the Sub-Gold Custodians (applicable to CSOP Gold ETF only) under the section headed "MANAGEMENT OF THE TRUST" in Part 1 of the Prospectus.

Any replacement or substitute Gold Custodian in respect of the Sub-Fund shall be as agreed by the Trustee and the Manager and have complied with all the relevant regulatory requirements (if applicable). Such new Gold Custodian shall be an entity or a financial institution acceptable to the SFC and shall only be appointed following approval by the SFC. Subject to the terms of the Gold Custody Agreement, the Gold Custodian shall not cease to act as a gold custodian unless a new gold custodian has been appointed.

Currently, the Gold Custodian has arranged for the Sub-Gold Custodian(s) to safekeep the Sub-Fund's physical Bullion at Designated Vault(s) that is/are located in Hong Kong. Thus, any reference to holding and/or safekeeping of the Sub-Fund's physical Bullion by the Gold Custodian shall mean such holding and/or safekeeping by the Gold Custodian and/or the Sub-Gold Custodian(s).

Is the Sub-Fund's Bullion "allocated"?

Bullion deposited with the Sub-Fund is safekept at the Designated Vault(s) and is primarily held on a "fully allocated" basis. This means that the Sub-Fund will have an account with the Gold Custodian in the Sub-Fund's name which will evidence that uniquely identifiable pieces of Bullion are "allocated" to the Sub-Fund as belonging to the Sub-Fund, and are physically held and segregated in the Designated Vaults from other bullion (including gold) belonging to other owners. All Bullion fully allocated to the Sub-Fund will be clearly identifiable through the refiner's brand and unique serial number.

Bullion is allocated only in multiples of whole bars. As such, any quantity of Bullion that cannot be allocated in a whole number of physical bars will be acquired by the Manager on an unallocated basis. Please refer to the section headed "Why is an "unallocated" account needed?" below for further details.

Why is an "unallocated" account needed?

Bullion deposited with the Trust is safekept at the Designated Vault(s) and is primarily held on a fully allocated basis.

Bullion is allocated only in multiples of whole bars. Any quantity of Bullion that cannot be allocated in a whole number of physical bars will be acquired by the Manager on an unallocated basis and held by the Gold Custodian for the Sub-Fund pursuant to the unallocated precious metals account agreement. The

unallocated Bullion held by the Gold Custodian for the Sub-Fund will not be segregated from the Gold Custodian's assets. Please refer to the "Unallocated account risk" under the section headed "Risk Factors Specific to the Sub-Fund" and the section headed "How will the "unallocated" account risk and Sub-Gold Custodian risk be mitigated?" below.

How will the "unallocated" account risk and Sub-Gold Custodian risk be mitigated?

The unsecured credit risk of the unallocated accounts and Sub-Gold Custodian risk are mitigated in the following ways:

(a) The Gold Custodian generally maintains insurance at its own expense with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Gold Custodian is responsible for the safekeeping of the Sub-Fund's Bullion and, in respect of loss of and damage to the Sub-Fund's allocated Bullion, the Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with regard to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. For further details, please refer to the section headed "Is the Sub-Fund's Bullion insured?" below; and

(b) Bullion safekept by the Gold Custodian and/or the Sub-Gold Custodian(s) is primarily held on a fully allocated basis. The Manager will use its commercially reasonable measures to ensure that the quantity of Bullion held in the Sub-Fund's unallocated account does not exceed the weight of a standard LBMA gold bar, that is approximately 430 troy ounces, as of the close of business on each Business Day on a best-efforts basis. In exceptional circumstances, such as a supply shortage from the Gold Dealers, this threshold may be temporarily exceeded. The Manager will execute gold allocation processes as soon as practicable to reduce the quantity of unallocated gold holdings and restore it to a level below the above-mentioned limit. Please refer to the section headed "Why is an "unallocated" account needed?" above.

What is the role of a Gold Dealer?

The Gold Dealers at present are Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited and Heraeus Metals Hong Kong Limited.

To ensure that all gold accepted by the Sub-Fund is Bullion of the requisite standard (please refer to the section headed "What sort of gold will the Sub-Fund acquire?" below), Participating Dealers (which may create in-gold) and the Manager (on behalf of the Sub-Fund) may only acquire Bullion from the Gold Dealer and may not acquire Bullion from any other source for the purpose of any Creation Application and/or portfolio rebalancing, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian. The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

If the gold sold to it by a Gold Dealer is not of the requisite standard or fineness, the Participating Dealer or the Manager will be entitled to claim against the relevant Gold Dealer. Any dispute relating to the standard or fineness of gold sold will be resolved in good faith such as via replacement of gold bar by the relevant Gold Dealer at its own cost, payment of compensation by the relevant Gold Dealer, and/or indemnification by the Gold Dealers.

Under the Gold Dealer agreement with each of the Gold Dealers, the Manager (acting on behalf of the Sub-Fund) has the right to be indemnified by each such Gold Dealer.

Each Gold Dealer Agreement may only be terminated, without cause, on 3 months' (in the case of Standard Chartered Bank), 6 months' (in the case of Heraeus Metals Hong Kong Limited), and 6 months' (in the case of The Hongkong and Shanghai Banking Corporation Limited) prior notice.

Further information on the Gold Dealers is set out in the section of this Prospectus entitled "Management of the Trust" under "The Gold Dealers".

What sort of gold will the Sub-Fund acquire?

The Sub-Fund will only hold Bullion (i.e. gold in the form of bars or ingots from approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold) of minimum fineness of 99.5% gold. Each bar of Bullion held for the account of the Sub-Fund on a fully allocated basis is uniquely identifiable as having been made by the relevant refiner.

Any Bullion allocated to the Sub-Fund will be in the form of bars which comply with The Good Delivery Rules for Gold and Silver Bars published by the LBMA, or in such other form of bars as agreed between the Trustee and the Gold Custodian.

The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

What are the LBMA, London Good Delivery and London Good Delivery Bars?

Although the market for physical gold is distributed globally, most over the counter market trades are cleared through London. Over the counter trades are typically on a principal to principal basis and are confidential. The LBMA co-ordinates these market activities and acts as the main point of contact between the market and its regulators. A primary function of the LBMA is its involvement in the promotion of refining standards by maintenance of the "London Good Delivery Lists", which are the lists of LBMA accredited melters and assayers of gold. The LBMA also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

"London Good Delivery Bars" refers to bullion that meets the specifications of "London Good Delivery" made by the LBMA accredited melters and assayers of gold. These specifications include weight, dimensions, fineness, identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance for bullion as set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. The unit of trade in London is the troy ounce (1 troy ounce = 31.1034768 grams = 0.0311034768 kilogram; and 1 kilogram = 1000 grams = 32.1507465 troy ounces). A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the over the counter market. Typically referred to as 400 ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness of 99.5%, be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the melters and assayers who are on the LBMA approved list.

Can I exchange my gold for Units or Units for gold?

Only Participating Dealers and Eligible Investors can create and redeem Units directly with the Sub-Fund in-gold although Participating Dealers can do so on your behalf. Participating Dealers must fulfil the relevant anti-money laundering requirements to the Manager and the Trustee's satisfaction and acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian. Redemptions in-gold by a Participating Dealer (for itself or on your behalf) may only be made in Application Unit size i.e., minimum 500,000 Units (or multiples thereof or such other multiple as may from time to time be determined by the Manager upon regular review, approved by the Trustee and notified to the Participating Dealers).

Is the Sub-Fund's Bullion insured?

The Trustee and the Manager will not arrange insurance of the Bullion held by the Sub-Fund. As the Sub-Fund only acquires legal title to the Bullion upon its delivery to a Designated Vault, the Sub-Fund accepts no responsibility or liability for any Bullion in transit by a Participating Dealer or the Gold Dealer prior to such delivery of Bullion to the Designated Vault. However, the Gold Custodian will generally maintain insurance at its own expense with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Sub-Fund is not a direct beneficiary of any such insurance and has no authority or ability to dictate the terms or amount of coverage of such insurance. The Gold Custodian

regularly reviews its insurance coverage with respect to its business and considers the present insurance coverage to be sufficient and appropriate, taking into account its risk and internal control. A copy of the certificates of insurance in respect of the present insurance policy has been provided to the Trustee and the Manager (although neither the Trustee nor the Manager warrant or represent as to its sufficiency or appropriateness generally). The present insurance policy does not necessarily cover all Bullion which may be deposited at the Designated Vaults for the account of the Sub-Fund. The Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with regard to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. However, the terms and amount of coverage of such insurance are determined solely by each relevant Sub-Gold Custodian, and there can be no assurance that such coverage will be sufficient against all risks associated with the custody of Bullion which may be deposited at a Designated Vault and held for the account of the Sub-Fund.

Bullion held by a Participating Dealer or a Gold Dealer does not form part of the assets of the Sub-Fund and remains the sole responsibility of the relevant Participating Dealer or Gold Dealer. Bullion in transit to the Gold Custodian and/or the Sub-Gold Custodian(s) by a Participating Dealer or the Gold Dealer is not the Sub-Fund's property and so remains the sole responsibility of the relevant Participating Dealer or the Gold Dealer (which may or may not have adequate insurance arrangements in place). Because ownership of the Bullion does not pass to the Sub-Fund until it is credited to the Sub-Fund's allocated account with the Gold Custodian (in the case of credit of Bullion between a Participating Dealer's or a Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian) or delivered to the Designated Vault (in the case of direct deposit of Bullion into a Designated Vault), the Sub-Fund is not liable for any loss if any such Bullion is lost, destroyed or stolen in transit to a Designated Vault by a Participating Dealer and/or a Gold Dealer.

In relation to Bullion transported between the Designated Vaults at the Gold Custodian's instructions, the Gold Custodian has taken reasonable steps to confirm that the relevant transport agent maintains insurance with respect to its transportation operations in such an amount that is intended to adequately cover physical loss, damage or destruction of the Bullion, subject to applicable limits. There can be no assurance that such insurance will be sufficient to cover all risks associated with the transportation of Bullion between the Designated Vaults at the Gold Custodian's instructions.

The Gold Custodian will use reasonable care in the performance of its duties under the Gold Custody Agreement for the purpose of the Sub-Fund. Where the Gold Custodian acts in accordance with the Gold Custody Agreement, it will only be liable for any loss or damage suffered by the Sub-Fund as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties, and in which case the Gold Custodian's liability will not exceed the aggregate market value of the Account Balance (unallocated bullion account and the allocated bullion account) at the time of such negligence, fraud or willful default. The Gold Custodian is not liable for any consequential loss, or loss of profit or goodwill, suffered by the Sub-Fund, whether or not resulting from any negligence, fraud or willful default on the Gold Custodian's part. As a result, the recourse of the Trustee, the Manager and the Unitholders under Hong Kong law is limited under the terms of the Gold Custody Agreement.

Each Sub-Gold Custodian is responsible for the safety of, and loss of and damage to, the Bullion held by it at a Designated Vault in the manner as specified under the relevant Sub-Gold Custodian service agreement. Depending on the scope of the relevant Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct result of its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

OVERVIEW OF THE GOLD MARKET

What is Gold?

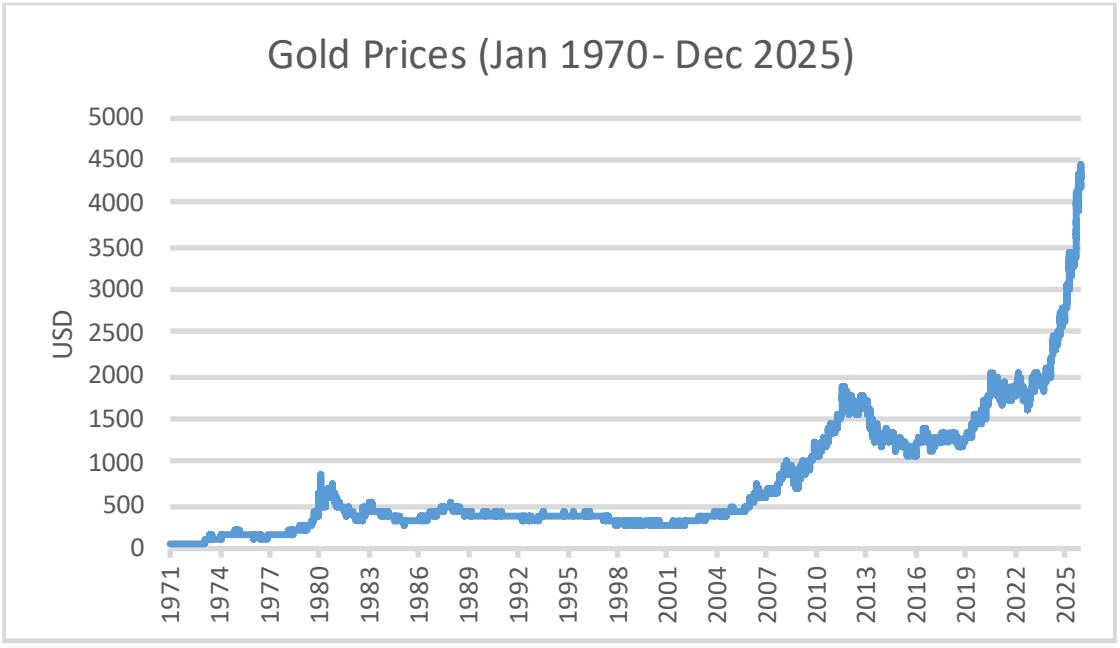
Gold is a precious metal with good electrical and thermal conductivity, and high resistance to corrosion. Gold is dense, soft, lustrous and was used throughout the world as a currency for exchanging products and services, long before the issuance of paper-based notes and coins. Today, gold is mostly used in jewellery. From time to time, when there is a political or social crisis like war, gold can be an investment for hedging and storing value. Moreover, gold can be used for industrial, medical and other technological purposes.

Gold-Price Trend (1971 to 2025)

Since the end of the Bretton Woods system in 1971, the price of gold has moved through five distinct phases: The first was a bull market in the 1970s, followed by approximately 20 years of mediocre performance. The 21st century marked the beginning of a new bull run that lasted about a decade, from 2001 to 2011. Following this peak, which saw prices reach over USD1,900 per troy ounce in August 2011, the gold price entered another phase of consolidation that continued till 2020. The period from 2020 onwards has been characterised by significant volatility and an unprecedented acceleration in price.

In early 2020s, the COVID-19 pandemic triggered significant market volatility, driving investors toward gold as a safe-haven asset. This pushed prices into a range of USD 1,600 to USD 2,000, with high inflation and political instability providing continued support even after the initial shock. Gold prices surged from around USD 1,800 to new record highs, reaching over USD 3,800 at the end of September 2025. This rapid ascent was fuelled by a combination of factors, including heightened geopolitical uncertainty from conflicts in the Europe and the Middle East, and persistent economic concerns such as stock market volatility and a weaker US dollar.

Looking ahead, the demand for gold is expected to remain strong amid geopolitical tensions, with central banks increasing gold reserves. Additionally, the surging investment demand for gold, with ETFs attracting continuous inflows under rate-cut expectations and the de-dollarisation trend, will also provide support for the price of gold. The following chart provides historical price of gold illustrates the movements in the price of gold in US dollars per ounce over the period from 1 January 1970 to 31 December 2025. You should, however, be reminded that past performance in gold is not an indicator of the future movements.



(Source: Bloomberg, as of 31 December 2025. Gold Prices refer to the LBMA Gold Price AM.)

Gold Supply

According to World Gold Council, the overall global supply of gold in 2025 reached 5,002.3 tonnes and the sources can mainly be divided into 2 categories: mine production and recycled gold.

The major source of gold supplied to the market is from gold-mine production, which was 3,671.6 tonnes in 2025. Another major source of gold is scrap gold. According to the World Gold Council, scrap is defined as “gold that has been sourced from old fabricated products that have been recovered and refined back into bars”. Hence, reselling jewellery, which has not been re-refined, and investment bars and coins are not counted as scrap. In 2025, the supply from recycled gold was 1,404.3 tonnes.

Gold Demand

According to World Gold Council, the global demand for gold is around 5,002.3 tonnes in 2025, mainly driven by four categories, including jewellery, investment, official sector purchases and technology application while India and China contribute significantly.

Gold jewellery is universally popular, as many cultures have traditionally used gold to symbolize power and accomplishment. With its rapid economic growth and traditional affinity to gold, China is one of the fastest-growing gold jewellery markets.

As gold is often considered as a store of value, a wealth protection tool and an alternative monetary asset to currencies. Gold may also be used for hedging inflation and currency risks, as its scarcity and non-reproducible nature allow it to maintain a relatively stable purchasing power over the long term. Last but not least, given its unique investment features, generally speaking, risk factors that may affect the gold price are quite different in nature from those that affect other assets. Therefore, gold’s price movement often behaves differently from other traditional financial asset classes, such as bonds and equities. Low correlations with other investment instruments make gold an attractive tool for portfolio diversification.

Gold has also been used for strategic reserve assets for central banks and supranational organisations. Currently, the United States is the nation with the largest gold holdings, with over 8,133.46 tonnes in 2025.

IT technology requires good thermal and electrical conductivity and high resistance to corrosion, gold therefore plays an important part in the manufacture of components used in a wide range of electronic devices, including computers, smartphones, tablets and home appliances. Due to its compatibility with the human body and immunity to bacterial infection, gold is also applied for many medical uses, such as in heart transplants, blood vessel support and cancer treatment.

Gold ETFs

Gold ETFs have grown in popularity in recent years. Global physically backed gold ETFs recorded their largest monthly inflow in September 2025, resulting in the strongest quarter on record with USD 26bn. By the end of Q3 2025, global gold ETFs’ total assets under management (AUM) had reached USD 472bn, reaching another record high.

The introduction of exchange-traded gold securities is intended to lower many of the barriers, such as access, custody, and transaction costs, which have prevented some investors from investing in gold.

Gold ETFs offer investors a relatively cost-efficient and secure way to access the gold market. Some of the gold ETFs have focused primarily on ownership of gold bullion. Such gold ETFs are backed by allocated gold held in a vault on behalf of investors. They are intended to offer investors a means of participating in the gold bullion market without the necessity of taking physical delivery of gold, and to buy and sell that interest through the trading of a security on a regulated stock exchange.

Unlike traditional funds, gold ETFs can be traded like shares during exchange trading hours. Liquidity, convenience, and transparency provided via exchange trading become distinctive advantages to investors. Gold ETFs are a valuable tool for investors, including retail investors and speculators, and have been widely used by institutional investors for tactical trading, hedging, arbitrage, or asset allocation. Nonetheless, gold ETFs carry certain risks, including those related to the custody of gold and market trading. Please refer to the section headed “RISK FACTORS” in Part 1 of the Prospectus and the section headed “Risk factors relating to the Sub-Fund” in this Appendix for details.
(Source: World Gold Council, as of 30 Sept 2025.)

The gold market in Hong Kong

As a super connector and an international financial centre, Hong Kong is set to develop into an international gold trading centre by, among others, expanding physical gold storage and gold trading, as announced in the Policy Address in 2024 and 2025. The key government initiatives include:

- **Expansion of gold storage**: To establish Hong Kong's gold storage facilities, with a target gold storing capacity of over 2,000 tonnes in three years, propelling Hong Kong into a regional gold reserve hub.

- **Implementation of a centralised gold clearing platform**: This initiative includes establishing a central clearing system for gold transactions that will align with international standards.

- **Development of a comprehensive ecosystem:** The government is focused on building a holistic ecosystem on gold. The process involves secure storage of gold bullion, with linked services like insurance, testing, and logistics, facilitating gold trading, clearing, and delivery. The government is also working on regulatory frameworks, clearing systems, and promoting derivatives trading to create a comprehensive gold ecosystem.

Hong Kong's competitive edge in gold trading

Hong Kong benefits from a robust financial infrastructure with strong international connectivity, making it an attractive hub for global investors. Its legal framework is familiar and accessible to international investors, further enhancing its appeal. Additionally, Hong Kong is home to numerous leading financial institutions, solidifying its position as a key player in the gold market.

The expansion of Hong Kong's gold market aligns strategically with Chinese Mainland's ambition to enhance its influence in global commodity markets. In the 2025 policy address, the Shanghai Gold Exchange ("SGE") was invited to facilitate mutual market access between Hong Kong and Chinese Mainland's gold markets. Notably, the SGE, a leading global gold trading exchange, inaugurated its first offshore gold delivery vault in Hong Kong in June 2025. This initiative marks a pivotal advancement towards integrating Chinese Mainland's gold market with international trading systems, leveraging Hong Kong's strategic position.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 16 April 2026 and ends at 4:30 p.m. (Hong Kong time) on 17 April 2026, or such other date as the Manager may determine. The Manager may accept special creations of Listed Class of Units by Eligible Investors by means of Special Creation Application in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold or by a combination of both only, on each Dealing Day.

Applications for creation of Units of the Sub-Fund may be made by way of a Creation Application in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold or by a combination of both only.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Units of the Sub-Fund either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Units of the Sub-Fund to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Units of the Sub-Fund for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Units of the Sub-Fund on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in Units of the Sub-Fund on the SEHK will commence on the Listing Date.

All investors may buy and sell Units of the Sub-Fund in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Units in the primary market in Application Unit Size, from 9:30 a.m. (Hong Kong time) to 4:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on "The Offering Phases" in Schedule 1 in Part 1 of this Prospectus for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Unit size • Eligible Investors may submit Special Creation Applications	• 9:00 a.m. (Hong Kong time) on 16 April 2026 but may be postponed to such later time and date as determined by the Manager
The date that is two Business Days prior to the Listing Date	

• Latest time for Creation Applications by Participating Dealers for Units of the Sub-Fund to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 17 April 2026 but may be postponed to such later time and date as determined by the Manager
After listing (period commences on the Listing Date) • All investors may start trading Units of the Sub-Fund on the SEHK through any designated brokers • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Unit size • Eligible Investors may submit Special Creation Applications and Special Redemption Applications	• Commence at 9:30 a.m. (Hong Kong time) on 21 April 2026, but may be postponed to such later date as determined by the Manager • 9:30 a.m. (Hong Kong time) to 4:00 p.m. (Hong Kong time) on each Dealing Day

Redemptions of Units of the Sub-Fund

Excluding special redemptions by Eligible Investors, Units of the Sub-Fund can be redeemed directly through a Participating Dealer. For Eligible Investors, special redemptions for Listed Class Units in the Sub-Fund are available.

Redemption proceeds may be paid in cash (in USD only), in-gold or by a combination of both only. Any accepted Redemption Application or Special Redemption Application (as applicable) will be effected by the payment of cash (in USD only), in-gold or by a combination of both in accordance with the Operating Guidelines.

Exchange Listing and Trading (Secondary Market) of Units of the Sub-Fund

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in Units of the Sub-Fund traded in HKD.

Units of the Sub-Fund are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of the Sub-Fund on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Schedule 1 in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units of the Sub-Fund traded in HKD are expected to begin on 21 April 2026.

Participating Dealers and Eligible Investors should note that they will not be able to sell or otherwise deal in the Units of the Sub-Fund on the SEHK until dealings begin on the SEHK.

Fees and Expenses

(a)	**Fees and expenses payable by Participating Dealers on creation and redemption of Units of the Sub-Fund (primary market) (applicable both**	**Amount**

during the Initial Offer Period and After Listing)	
Transaction Fee	USD500[1] per Application
Service Agent's fee	HKD1,000[1] per book-entry deposit and book-entry withdrawal
Registrar Fee	USD15[1] per transaction
Application cancellation fee	USD1,200[2] per Application
Extension fee	USD1,200[3] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil
(b) Fees and expenses payable by investors	**Amount**
(i) Fees payable by clients of the Participating Dealers (applicable both during the Initial Offer Period and After Listing)	
Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
(ii) Fees payable by all investors in respect of dealings in Units of the Sub-Fund on SEHK (applicable After Listing)	
Brokerage	Market rates
Transaction levy	0.0027%[5]

1 USD500 is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. The Registrar will charge a fee of USD15 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.

2 An application cancellation fee is payable to the Trustee and / or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

3 An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application.

4 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

5 Transaction levy of 0.0027% of the trading price of Units of the Sub-Fund payable by each of the buyer and the seller.

AFRC transaction levy	0.00015%[6]
Trading fee	0.00565%[7]
Stamp duty	Nil

No money should be paid to any intermediary in Hong Kong which is not licensed or recognised to carry on Type 1 regulated activity under Part V of the SFO.

(c)	**Fees and expenses payable by the Sub-Fund (see further disclosure below)**	**Amount**
	Management Fee[8]	0.40% p.a. of Net Asset Value
	Trustee's Fee	Up to 0.10% p.a. of Net Asset Value
	Gold Custodian's Fee (inclusive of Sub-Gold Custodian's Fee)	Up to 0.13% p.a. of Net Asset Value

Fees and Expense Payable by the Sub-Fund

Management Fee

The Sub-Fund does not employ a single management fee structure. The Manager is entitled to receive a management fee which, for the avoidance of doubt, does not include transaction costs of the Sub-Fund such as the fees and charges relating to the investment and realising the investments of the Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

Trustee's and Registrar's Fee

The Trustee is entitled to receive a Trustee's fee of up to 0.10% per year of the Net Asset Value of the Sub-Fund. The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred. The Registrar is entitled to a fee of USD15 per Participating Dealer per transaction.

Gold Custodian's fee

The Gold Custodian is entitled to receive a gold custody fee from the Sub-Fund, currently at the rate of up to 0.13% per year of the Net Asset Value of the Sub-Fund, which is calculated and accrued as at the Valuation Point on each Dealing Day and payable monthly in arrears. This fee is payable out of assets of the Sub-Fund.

The Sub-Gold Custodian's fee is included in the Gold Custodian's fee.

Performance Fee

No performance fee is chargeable to the Sub-Fund.

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6 AFRC transaction levy of 0.00015% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

7 Trading fee of 0.00565% of the trading price of Units of the Sub-Fund, payable by each of the buyer and the seller.

8 Accrued daily and payable monthly in arrears.

Ongoing Charges

The Sub-Fund's ongoing charges figure over a year represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average Net Asset Value over a 12-month period. It may vary from year to year.

Promotional Expenses

The Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Sub-Fund.

Other Expenses

The Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, the costs in connection with maintaining a listing of Units of the Sub-Fund on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risk Factors Relating to Gold

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the LBMA Gold Price AM. Since the LBMA Gold Price AM is a price for gold, investment in the Sub-Fund will be subject to the following risk factors relating to gold:

LBMA Gold Price AM risk. The value of the Units will be affected by movements in the US dollar price of gold since the LBMA Gold Price AM is quoted in US dollars. Because the Units are denominated in HK dollars, changes in the exchange rate as between HK dollars and US dollars will also affect the Net Asset Value. To the extent that a Unitholder values its Units or Bullion in another currency that value will be affected by changes in the exchange rate between US dollars, and that other currency. The gold price fluctuates widely and is affected by numerous factors beyond the Manager's or the Trustee's control, including:

(a) Global or regional political, economic or financial events and situations;

(b) Investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;

(c) Global gold supply and demand, which is influenced by such factors as mine production and net forward selling activities by gold producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;

(d) Interest rates and currency exchange rates, particularly the strength of and confidence in the United States dollars; and

(e) Investment and trading activities of hedge funds, commodity funds and other speculators.

Competition from Other Methods of Investing in Gold. The Sub-Fund competes with other financial vehicles, including traditional debt and equity securities issued by companies in the gold industry, other exchange traded funds and other securities backed by or linked to gold, direct investments in gold and investment vehicles similar to the Sub-Fund. Market and financial conditions, and other conditions beyond the Manager's and Trustee's control, may make it more attractive to invest in other financial vehicles or to invest in gold directly, which could limit the market for the Units and reduce the liquidity of the Units.

Crises may Motivate Large Scale Sales of Gold. The possibility of large scale distress sales of gold in times of crisis may have a short term negative impact on the price of gold and adversely affect an investment in the Units. For example, the 1998 Asian financial crisis resulted in significant sales of gold by individuals which depressed the price of gold. Crises in the future may impair gold's price performance which would, in turn, adversely affect an investment in the Units.

Substantial Sales of Gold by the Official Sector. The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, most of which is static, meaning that it is held in vaults and is not bought, sold, leased, swapped or otherwise mobilised in the open market. A number of central banks have sold portions of their gold over the past 10 years, with the result that the official sector, taken as a whole, has been a net supplier to the open market. From 1999 to September 2019, most sales were made in a coordinated manner under the terms of the Central Bank Gold Agreement, under which 15 of the world's major central banks (including the European Central Bank) agreed to limit the level of their gold sales and lending to the market. However, the Central Bank Gold Agreement expired in September 2019. As a result, it is possible that the members of the official sector can liquidate their gold assets all at once or in an uncoordinated manner, in which case the demand for gold might not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold could decline significantly, which would adversely affect an investment in the Units.

Fixing Process for LBMA Gold Prices Risk. The LBMA Gold Price AM was launched on 20 March 2015 to replace the defunct fix for gold. Neither the Manager nor the Trustee has any control or supervision over the fixing or the price so fixed. The LBMA Gold Prices are calculated by IBA, which is a private company based in London, authorised and regulated by the Financial Conduct Authority of the United Kingdom. In addition, the LBMA Gold Prices are owned by Precious Metals Limited (a wholly owned subsidiary of the LBMA). Whilst most of the member firms of the LBMA will hold licenses from the Financial Conduct Authority of the United Kingdom in respect of specific regulated activities they may undertake in the course of their various businesses, the LBMA itself is not subject to the oversight or supervision of any financial regulator. The LBMA Gold Prices have been regulated by the Financial Conduct Authority of the United Kingdom since 1 April 2015.

Future changes to the LBMA Gold Prices risk. The LBMA Gold Price AM was launched on 20 March 2015 and may develop further over time for example to include additional auction participants or by way of a change to the tolerance within which orders will be matched to set the LBMA Gold Price AM. Any such future changes, to the extent they have a material impact on the LBMA Gold Price AM, could adversely impact the Net Asset Value of the Sub-Fund.

Other Risks Relating to the LBMA Gold Price AM. The calculations of the LBMA Gold Price AM by which the Sub-Fund's holdings of gold will be valued, is not an exact process. Rather, these are based upon a procedure of matching orders from participants in the auction process and their customers to sell the gold with orders from participants in the auction process and their customers to buy gold at particular prices. The LBMA Gold Price AM does not therefore purport to represent every single buyer or seller of gold in the market, nor does it purport to set a definitive price for gold at which all orders for sale or purchase will take place on that particular day or time. All orders

placed into the auction process by the participants will be executed on the basis of the LBMA Gold Price AM (provided that orders may be cancelled, increased or decreased whilst the auction is in progress).

Further, if the LBMA Gold Price AM is discontinued, the Manager will, in consultation with the Trustee, seek the SFC's prior approval to replace the LBMA Gold Price AM with another benchmark that has similar objectives to the LBMA Gold Price AM as applicable. If the Manager and the Trustee do not agree within a reasonable period on a suitable replacement benchmark acceptable to the SFC, the Manager may, in its discretion, terminate the Sub-Fund. Upon the Sub-Fund being terminated, the amount distributed in accordance with the Trust Deed may be less than the capital invested by the Unitholder and the investors may suffer losses.

Regulatory actions/investigations and lawsuits with respect to the previous London gold fix may impact market confidence in the LBMA Gold Prices. The London Gold Market Fixing Limited's decision to discontinue the previous fixing for gold as the pricing benchmark for gold comes after increased attention has been directed to the use of various financial benchmarks and indices as price setting mechanisms for market transactions, including the previous London gold fix. The historical methods of setting the price of gold have been the subject of litigation and regulatory investigations. Within the past few years, electronic auction methodologies have replaced the historical non-electronic auction methods of setting the price of gold. However, if there is a perception that the price of gold is susceptible to intentional disruption, or if the LBMA Gold Price AM is not received with confidence by the markets, the behavior of investors and traders in gold may reflect the lack of confidence and it may have a negative effect on the price of gold and, consequently, the value of the Units.

Auction Processes for LBMA Gold Prices Risk. While the auction processes used to establish the LBMA Gold Price AM are expected to be a transparent and auditable process in accordance with applicable benchmark regulations, there is no guarantee that the participants in the auctions may not be biased or influenced for their own purposes when participating in the auction or the auction may not be manipulated and therefore the price fixed may not reflect the fair value. Further, the operation of the auction process which determines the LBMA Gold Price AM are dependent on the continued operation of IBA and LBMA and their applicable systems. Neither the Manager nor the Trustee has any control or supervision over the auction processes of the LBMA Gold Price AM or the operation and systems of IBA and LBMA.

Gold Custodian related risks

The custody of Bullion for the Sub-Fund is different to custody arrangements typical in mutual funds/unit trusts which invest in equities and bonds. As such the attention of investors is drawn to the following risk factors which relate to the custody arrangements relevant to the Sub-Fund:

Custody and Insurance. The Sub-Fund's Bullion is held at the Designated Vaults. Access to the Sub-Fund's Bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack. These "force majeure" type events cannot be predicted and are outside the control of the Manager and the Trustee.

The Sub-Fund does not insure its gold. The Gold Custodian generally maintains insurance with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with respect to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. However, the terms and amount of coverage of such insurance are determined solely by each relevant Sub-Gold Custodian and may vary between the Sub-Gold Custodians, and there can be no assurance that such coverage will be sufficient against all risks associated with the custody of Bullion which may be deposited at a Designated Vault and held for the account of the Sub-Fund. Accordingly, there is a risk that some or all of the Bullion could be lost, stolen or damaged and the Sub-Fund would not be able to satisfy its obligations in respect of the Units. Depending on the scope of the relevant Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct result of

its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

Gold Custodian and the Sub-Gold Custodians Insolvency. Although the owners of gold do not have a proprietary interest in unallocated gold held by the Gold Custodian, if the Gold Custodian and/or the Sub-Gold Custodian(s) becomes insolvent, the Sub-Fund's gold (to the extent that it has been allocated) should belong to the Sub-Fund. Accordingly even if the assets of the Gold Custodian and/or the Sub-Gold Custodian(s) may not be adequate to satisfy the claims of its creditors in the event of insolvency, the Sub-Fund's allocated assets should be segregated from the Gold Custodian's and/or the Sub-Gold Custodian(s)'s own assets or those of its/their clients and recoverable although the Sub-Fund may incur expenses in connection with asserting its claims. There is a risk of delay and costs incurred in identifying any Bullion held in an allocated account. In addition, with regard to unallocated gold and/or if allocation had not been done or had been done incorrectly, the Sub-Fund may rank as an unsecured creditor in respect of such unallocated gold in the event of the Gold Custodian's and/or the Sub-Gold Custodian(s)'s insolvency.

Loss, Damage or Theft. There is a risk that part or all of the Sub-Fund's Bullion held by the Gold Custodian and/or the Sub-Gold Custodian(s) could be lost, damaged or stolen and any insurance cover may not be able to pay the actual value of such lost, damaged or stolen Bullion. Any of these events and other unforeseeable events may adversely affect the operations of the Sub-Fund and, consequently, an investment in the Units.

Inadequate Sources of Recovery. Unitholders' recourse against the Sub-Fund, the Trustee, the Manager, the Gold Custodian and the Sub-Gold Custodian(s) under Hong Kong law may be limited. The Sub-Fund itself does not insure its gold. The Gold Custodian will maintain insurance with regard to its business on such terms and conditions as it considers appropriate. The Gold Custodian has also taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with respect to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. Any insurance cover may not be able to pay the actual value of any Bullion lost or destroyed. The Trustee and the Manager do not have the ability to dictate the terms or amount of coverage of the insurance of the Gold Custodian and/or the Sub-Gold Custodian(s). It is therefore possible that the Gold Custodian and/or the Sub-Gold Custodian(s) may not maintain adequate insurance with respect to the Bullion held by them on behalf of or credited to the account of the Sub-Fund. Consequently, a loss may be suffered with respect to the Sub-Fund's Bullion which is not covered by insurance.

Although the Trustee, as trustee of the Sub-Fund, has overall responsibility for custody of the Sub-Fund's assets, all Bullion will be safekept by the Gold Custodian and/or the Sub-Gold Custodian(s) and the liability of the Gold Custodian is limited under the Gold Custody Agreement between the Trustee and the Gold Custodian which establishes the Sub-Fund's custody arrangements.

The Gold Custodian will use reasonable care in the performance of its duties under the Gold Custody Agreement for the purpose of the Sub-Fund. Where the Gold Custodian acts in accordance with the Gold Custody Agreement, it will only be liable for any loss or damage suffered by the Sub-Fund as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties, and in which case the Gold Custodian's liability will not exceed the aggregate market value of the Account Balance (unallocated bullion account and the allocated bullion account) at the time of such negligence, fraud or willful default. The Gold Custodian is not liable for any consequential loss, or loss of profit or goodwill, suffered by the Sub-Fund, whether or not resulting from any negligence, fraud or willful default on the Gold Custodian's part. As a result, the recourse of the Trustee, the Manager and the Unitholders under Hong Kong law is limited under the terms of the Gold Custody Agreement.

Each Sub-Gold Custodian is responsible for the safety of, and loss of and damage to, the Bullion held by it at a Designated Vault in the manner as specified under the relevant Sub-Gold Custodian service agreement. Depending on the scope of the relevant Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct

result of its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

Under the allocated precious metals accounts agreement, the Gold Custodian is not liable for the acts or omissions or insolvency of the Sub-Gold Custodians except to the extent directly resulting from the Gold Custodian's fraud, negligence or wilful default in selecting and arranging for the relevant Sub-Gold Custodian to safekeep the Sub-Fund's physical Bullion. The Trustee would not have a supportable breach of contract claim against a Sub-Gold Custodian for losses relating to the safekeeping of Bullion, and would need to rely on the Gold Custodian's right to claim against the relevant Sub-Gold Custodian, where available. If the Sub-Fund's Bullion is lost or damaged while in the custody of a Sub-Gold Custodian, the Sub-Fund may not be able to recover damages from the Trustee, the Gold Custodian or the Sub-Gold Custodian(s).

If the Sub-Fund's Bullion is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Sub-Fund, the responsible party may not have the financial resources sufficient to satisfy the Sub-Fund's claim. For example, as to a particular event of loss, the only source of recovery for the Sub-Fund might be limited to the Gold Custodian or one or more Sub-Gold Custodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Sub-Fund.

Neither the Unitholders nor any Participating Dealer has a right under the Gold Custody Agreement to assert a claim of the Trustee against the Gold Custodian or any Sub-Gold Custodian; claims under the Gold Custody Agreements may only be asserted by the Trustee on behalf of the Sub-Fund.

Gold allocated may not be Bullion risk. The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund). Neither the Trustee nor the Gold Custodian independently confirms the fineness of the gold allocated to the Sub-Fund in connection with the creation of a Basket. Moreover, the Bullion allocated to the Sub-Fund may not be in the form of bars which comply with The Good Delivery Rules for Gold and Silver Bars published by the LBMA (i.e. London Good Delivery Bars). Units may have been issued against such gold, and if the relevant Gold Dealer fails to satisfy its obligation to credit the Sub-Fund the amount of any deficiency, the Sub-Fund may suffer a loss.

Sub-Gold Custodian risk. All Bullion deposited with the Sub-Fund will be safekept at the Designated Vaults in Hong Kong. There may also be periods of time when some portion of the Sub-Fund's gold will be held by one or more Sub-Gold Custodian(s). The Gold Custodian is required under the allocated precious metals accounts agreement to use reasonable care in selecting and arranging for the Sub-Gold Custodian(s) to safekeep the Sub-Fund's physical Bullion but the Gold Custodian is not liable for the acts or omissions or insolvency of its Sub-Gold Custodians(s) except to the extent directly resulting from the Gold Custodian's fraud, negligence or wilful default in such appointment and arrangement. In addition, the ability of the Trustee to monitor the performance of the Gold Custodian may be limited because under the Gold Custody Agreement the Trustee has only limited rights to examine the Sub-Fund's Bullion and certain related records maintained by the Gold Custodian.

Unallocated account risk. The Sub-Fund will have no proprietary rights to the amount of gold held by the Gold Custodian in the unallocated account and will be an unsecured creditor of the Gold Custodian with respect to such amount of gold held in the unallocated account. Unallocated gold will not be segregated from the Gold Custodian's assets, and the Sub-Fund will be an unsecured creditor of the Gold Custodian with respect to the amount so held in the event of the insolvency of the Gold Custodian. In the event the Gold Custodian becomes insolvent, the Gold Custodian's assets might not be adequate to satisfy a claim by the Sub-Fund for the amount of gold held in the Sub-Fund's unallocated account. In the case of the insolvency of the Gold Custodian, a liquidator may seek to freeze access to the gold held in all of the accounts held by the Gold Custodian,

including the Sub-Fund's allocated account. Although the Sub-Fund would be able to claim ownership of properly allocated gold, the Sub-Fund could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay creations and redemptions of Units.

***Bullion allocated on creation of Units risk*.** Neither the Trustee nor the Manager independently confirms the fineness, weight or conformity with the applicable requirements of the Bullion delivered to the Gold Custodian and/or a Sub-Gold Custodian in the Sub-Fund's unallocated and allocated accounts, in connection with the creation of Units. The gold allocated to the Sub-Fund within the Designated Vaults, may be different from the reported fineness or weight required for Bullion.

Failure to appoint replacement Gold Custodian risk. The Gold Custody Agreement does not have any expiry date; however, the Trustee or the Gold Custodian may terminate the Gold Custody Agreement pursuant to the relevant provisions therein. If the Gold Custody Agreement is terminated and the Gold Custodian ceases to act as a gold custodian but no replacement gold custodian acceptable to the SFC is appointed upon such cessation, the Sub-Fund will be unable to maintain its SFC authorisation. Furthermore, under the Trust Deed, the Manager may terminate the Sub-Fund if the Manager is unable to implement its investment strategy in respect of the Sub-Fund, for example including where the Gold Custodian ceases to be able to provide custody services in respect of the Sub-Fund and no replacement provider of a secure vault is found which is acceptable to both the Manager and the Trustee.

Reliance on Gold Dealers risk. The Gold Dealers are the providers of Bullion. For in cash (in USD only, except that creations during the Initial Offer Period can be other currency subject to the Manager's discretion), in-gold or by a combination of both creation, Participating Dealers and the Manager (on behalf of the Sub-Fund) may only acquire Bullion from a Gold Dealer, and accordingly, creations of Units depend on the Gold Dealers. For cash redemption, the Manager may in general sell Bullion to a Gold Dealer, and accordingly, redemptions of Units also depend on the Gold Dealers. If for any reason the Gold Dealers cease to provide Bullion to the Sub-Fund or accept Bullion from the Sub-Fund (as the case may be) and there is no suitable substitute Gold Dealer identified, Units may not be created or redeemed.

The gold price transacted via the Gold Dealers may not always be the best market price due to a limited number of Gold Dealers and the provision and acceptability of Bullion by the Gold Dealers as mentioned above. Where there is only one Gold Dealer, gold may be transacted at a price that is less favourable, regardless of better market prices available elsewhere.

The Manager relies on the Gold Dealers to ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund), so there is no guarantee that all Bullion will meet such standard/fineness, although the Manager (on behalf of the Sub-Fund) is indemnified by the Gold Dealers against all loss suffered or incurred by the Manager in connection with the non-compliance by the Gold Dealers with such standard/fineness.

Moreover, as part of the creation of Units, whether in-gold or in cash, the Gold Dealer is responsible for ensuring that gold is duly delivered to a Designated Vault for the relevant creation request to be deemed settled. Should the gold fail to arrive at the Designated Vault, the Units creation request will be considered unsuccessful and cancelled.

Investment Risks

Redemption in the Absence of a Participating Dealer. The Manager has entered into one or more Participation Agreements with Participating Dealers. This enables each Participating Dealer to request the creation of new Units and/or require the redemption of existing Units. If the existing Participating Dealers were to withdraw at any time and no additional Participating Dealer had entered into a Participation Agreement with the Manager, no new Units could be created and a Unitholder who was not also a Participating Dealer would not be able to request the redemption of Units held by it.

Gold Dealing. For any redemptions by investors through Participating Dealers in cash, the Participating Dealer or the Manager (on behalf of the Sub-Fund), when selling Bullion will be relying on the credit of the counterparty to that transaction. If any counterparty fails to settle such trade, the Participating Dealer's obligation to pay the gross proceeds of sale received from the sale of gold for such gold (or currency exchange) may under the terms of its agreement with a redeeming investor client be reduced by the amount of the deficiency in payment received from the counterparty. The Sub-Fund has no liability for agreements to create or redeem between investors who are clients of Participating Dealers and the Participating Dealers.

Sub-Fund Expenses. Each outstanding Unit represents a fractional, undivided interest in the Bullion held under the Gold Custodian's existing master account for the Sub-Fund, with the Sub-Gold Custodians. The Sub-Fund does not generate any income and as the Sub-Fund needs to sell Bullion to pay for its ongoing expenses, the amount of Bullion represented by each Unit will gradually decline over time. This is also true with respect to Units that are issued in exchange for additional deposits of Bullion into the Sub-Fund, as the amount of Bullion required to create Units proportionately reflects the amount of Bullion represented by the Units outstanding at the time of creation. Assuming a constant LBMA Gold Price AM, Net Asset Value per Unit is expected to continue to gradually decline relative to the price of Bullion as the amount of Bullion represented by the Units gradually declines. Investors should be aware that the gradual decline in the amount of Bullion represented by the Units will occur regardless of whether the trading price of the Units rises or falls in response to changes in the price of Bullion.

Sale of the Sub-Fund's Gold to Pay Expenses. The Manager will sell Bullion to pay Sub-Fund expenses on an as needed basis irrespective of then current gold prices. The Sub-Fund is not actively managed and no attempt will be made to buy or sell gold to protect against or to take advantage of fluctuations in the price of gold. Consequently, the Sub-Fund's gold may be sold at a time when the gold price is low, resulting in a negative effect on the value of the Units.

"Out-of-vault" redemption risk. In-gold redemption through direct physical delivery is an additional service arranged by the Participating Dealer at the request of its client, whereby the Participating Dealer shall in turn arrange through a delivery agent appointed by such Participating Dealer. While the Manager, the Trustee, the Gold Custodian and Sub-Gold Custodian(s) (in their respective capacities as service providers of the Sub-Fund) will facilitate load out request, they do not take up additional responsibilities in such capacities. Transportation of Bullion out-of-vault will be necessary, and while there is insurance coverage when gold is in-transit, there is still inherent risk of loss or theft, etc, which investors should understand before they voluntarily request in-gold redemption. It will also be subject to terms and conditions stipulated by the delivery agent as well as the venue provider for gold collection.

Redemption in-gold will be effected only at the relevant Participating Dealer's own request. The Participating Dealer is solely responsible for arranging for collection of gold from a Designated Vault at its own costs and risk. As soon as the relevant pieces of Bullion allocated to meet the Participating Dealer's redemption request are collected from the Designated Vault, redemption is settled, and the ownership and risk of such Bullion will be transferred to the Participating Dealer. Such pieces of Bullion will also cease to form part of the Sub-Fund's assets and are accordingly outside the scope of the Trustee or the Sub-Fund's responsibility. The Sub-Fund does not guarantee that there will be no disruption or other adverse events (such as severe weather conditions and act of Gods) during the delivery of Bullion.

Gold derivatives Risks associated with investment in gold derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Sub-Fund, causing the Sub-Fund to suffer significant losses.

Termination Timing. If the Sub-Fund is terminated under the provisions of the Trust Deed, for example where the Manager goes into liquidation, such termination could occur at a time which is disadvantageous to Unitholders, such as when gold prices are lower than the LBMA Gold Price AM at the time when Unitholders purchased their Units or if the size of the Sub-Fund falls below USD22,000,000. The Sub-Fund may also be terminated early where the Manager is unable to

implement its investment strategy in respect of the Sub-Fund, for example including where the Gold Custody Agreement is terminated and if the Gold Custodian ceases to be able to provide gold custody services in respect of the Sub-Fund and no replacement provider of a secure vault is found which is acceptable to both the Manager and the Trustee. In such a case, when the Sub-Fund's Bullion is sold as part of the Sub-Fund's liquidation, the resulting proceeds distributed to Unitholders will be less than if gold prices were higher at the time of sale and Unitholders may not be able to recover their investments and may suffer a loss when the Sub-Fund is terminated.

Investment Objective. There can be no assurance that the investment objective will be successful. It is possible that an investor may lose a proportion or all of its investment in the Sub-Fund where the investment objective is not obtained or where the LBMA Gold Price AM declines. As a result, each investor should carefully consider the costs of investing in the Sub-Fund.

Gold Market. The Net Asset Value of the Sub-Fund changes with changes in the market value of the Bullion it holds. The price of Units may go down as well as up. There can be no assurance that the Sub-Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return of the Sub-Fund is based on the capital appreciation of the Bullion which it holds, less expenses incurred. The Sub-Fund's return may fluctuate in response to changes in such capital appreciation. Furthermore, the Sub-Fund will experience volatility and decline in a manner that corresponds with the LBMA Gold Price AM. Investors in the Sub-Fund are exposed to the same risks that investors who invest directly in gold would face.

Passive Investment Management. The Sub-Fund is not actively managed. Accordingly, the Sub-Fund may be affected by a decline in the LBMA Gold Price AM. The Sub-Fund invests in gold regardless of its investment merit. The Manager does not attempt to select other commodities or precious metals or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Sub-Fund will mean that falls in the LBMA Gold Price are expected to result in corresponding falls in the value of the Units.

Business Climate. In the current economic environment, global markets are experiencing very high level of volatility. Such volatility may have an adverse effect on the LBMA Gold Price AM's, and therefore the Sub-Fund's, performance. Investors may lose money by investing in the Sub-Fund.

Management. Because there can be no guarantee that the Sub-Fund's performance will fully replicate the movement of the LBMA Gold Price AM, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to some constraints, may not produce the intended results and that the tracking error may accordingly be higher than predicted.

Commodities. The investments of the Sub-Fund, i.e. Bullion, are subject to risks inherent in all commodities (including settlement and counterparty risks). The value of holdings of gold may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks). Investors should note that paper gold schemes may not provide any entitlement to physical gold and may expose investors to issuer/counterparty credit risk; their prices may also diverge from the spot price of physical gold due to product terms, pricing methodologies and charges.

Tracking Error. The Net Asset Value of the Sub-Fund may not correlate exactly with the LBMA Gold Price AM. Factors such as the investment strategy used, fees and expenses of the Sub-Fund, rounding of Bullion prices and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the LBMA Gold Price AM. These factors may cause the Sub-Fund's returns to deviate from the LBMA Gold Price AM. Although the Manager regularly monitors and seeks to manage such risk to minimise the tracking error of the Sub-Fund, there can be no guarantee or assurance that the performance of the Sub-Fund will achieve any particular level of tracking error relative to the LBMA Gold Price AM.

Concentration. The Sub-Fund is concentrated in a particular commodity, i.e. gold. As such, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and it may be adversely affected by the performance of industries, or sectors, or events that are related to gold and to its production and sale. The Sub-Fund may also be more susceptible to the effects of any single economic, market, political or regulatory occurrence.

Non-diversification. The Sub-Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is susceptible to fluctuations in the price of gold resulting from supply and demand of a single commodity, gold.

Counterparties. With regard to transactions with the Manager and/or the Trustee on account of the Sub-Fund in relation to the Sub-Fund's assets, the Sub-Fund is exposed to the risk that a counterparty may not settle a transaction in accordance with its agreement such as the Operating Guidelines (including, for example, where a Gold Dealer or a Participating Dealer fails to deliver or instruct a credit or allocation of Bullion due to a credit or liquidity problem of the Gold Dealer or a Participating Dealer, or due to the insolvency, fraud or regulatory sanction of the Gold Dealer or a Participating Dealer, as appropriate), thus causing the Sub-Fund to suffer a loss.

Deposits of cash with a custodian or depository of gold with the Gold Custodian in an unallocated form will also carry counterparty risk as the custodian or depository or Gold Custodian may be unable to perform their respective obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the Sub-Fund's Bullion. With regard to the Sub-Fund, under normal circumstances, no more than 430 ounces of Bullion are expected to be held in the Sub-Fund's unallocated account at the close of business on each Business Day. In exceptional circumstances, such as a supply shortage from the Gold Dealers, this threshold may be temporarily exceeded. The Manager will execute gold allocation processes as soon as practicable to reduce the quantity of unallocated gold holdings and restore it to a level below the above-mentioned limit. Unless the Manager fails to fulfil its obligations to so allocate, most of the Sub-Fund's Bullion should be allocated and so should be protected in the event of the insolvency of the Gold Custodian (although there may still be delays in obtaining delivery of the Sub-Fund's Bullion in these circumstances). However, in respect of the Sub-Fund's unallocated accounts with the Gold Custodian, the Sub-Fund would, in the event of the insolvency of the Gold Custodian, rank as an unsecured creditor.

No Right to Control the Sub-Fund's Operation. Investors will have no right to control the daily operations, including investment and redemption decisions, of the Sub-Fund.

Reliance on the Manager. Unitholders must rely upon the Manager in managing the Sub-Fund and the performance of the Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case the insolvency of the Manager, the Trustee may not find successor managers quickly and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in the Sub-Fund's performance and investors may lose money in those circumstances.

Indemnity. Under the Trust Deed, the Trustee and the Manager have the right to be indemnified.

In the absence of fraud or negligence by the Manager or the Trustee respectively, neither of them shall incur any liability by reason of any error or law or any matter or thing done or suffered or omitted to be done in good faith under the Trust Deed. Nothing in any of the provisions of the Trust Deed shall exempt the Trustee or the Manager (as the case may be) from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, fraud, default, breach of duty or trust of which either the Trustee or the Manager (as the case may be) may be guilty in relation to its duties.

Each of the Trustee and the Manager shall be entitled to an indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of any liability or obligation to the Unitholders imposed on the Trustee or Manager pursuant to the laws of Hong Kong) to which it may be subject as Trustee or Manager (as the case may be) and to have recourse to the assets of the Sub-Fund in respect of such action, costs, claims, damages, expenses or demands which have been made or arose out of or, where such action, costs, claims, damages, expenses or demands relate to the Sub-Fund as a whole or any part of the Sub-Fund.

In the event that the Manager enters into any agreement, arrangement, dealing or transaction of any kind with any third party (including, without limitation, third party brokers) for and on behalf of the Sub-Fund to which the Trustee is not a party, the Manager is required by the Trust Deed to ensure that in any such agreement, arrangement, dealing or transaction the liability of the Trustee to the third-party cannot exceed at any time the net amount that the Trustee is entitled and able to draw from the assets subject to the Sub-Fund, to indemnify itself as trustee for its obligations to the third party under that dealing or transaction, so that if the net amount that the Trustee is entitled to draw from the assets subject to the Sub-Fund to indemnify itself as trustee for its obligations to the third party is reduced to zero, or the property subject to the Sub-Fund is exhausted, all liability of the Trustee to the third party under that contract, agreement or instrument shall be extinguished.

Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the Sub-Fund and the value of the Units.

Currency risk. The base currency of the Sub-Fund is USD but the trading currency of the Sub-Fund is in HKD. The Net Asset Value of the Sub-Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls (if any).

Tracking error risk and liquidity risk. At any time, the price at which Units trade on the SEHK may not reflect accurately the price of Bullion represented by such Units. The application and redemption procedures for the Units and the role of certain Participating Dealers as Market Makers are intended to minimise this potential difference or "tracking error". However, the market price of the Units will be a function of supply and demand amongst investors wishing to buy and sell the Units and the bid-offer spread that Market Makers are willing to quote for the Units.

With respect to market offer prices, if new demand for the Units exceeds the availability of the physical Bullion required to create such new the Units then the issue of new Units will be restricted and therefore the Units may trade at a premium. Investors who pay a premium risk losing the premium if demand for the Units abates or when new Units are issued.

The Units are new securities and have no trading record. There can be no assurance as to the depth of the secondary market (if any) in the Units, which could affect their liquidity and market price.

Reliance on Participating Dealers. The creation and redemption of Units may only be effected through Participating Dealers. Although each Participating Dealer is required to indicate to the Manager that it will generally create and redeem for its clients (as outlined in the section entitled "Creation through a Participating Dealer"), whether or not a Participating Dealer agrees with its clients to create or redeem Units for them has to be agreed between the relevant client and that Participating Dealer. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of securities through CCASS is disrupted or the LBMA Gold Price AM is not published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the Sub-Fund or delivery of the Sub-Fund's Bullion cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, investors will not be able to create or redeem Units freely.

Where a Participating Dealer appoints an agent or delegate (who is a CCASS participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent or delegate, or if the agent or delegate ceases to be a CCASS participant, the creation or redemption of Units by such Participating Dealer may also be affected.

Different Trading and Opening Hours of the SEHK and London Gold Market. The Trading hours of the SEHK, on which the Units are listed, do not match the gold fixing hours of the London bullion market because Hong Kong is in a different time zone to the United Kingdom. The London bullion market is an "over-the-counter" (OTC) principal to principal market where trading can occur throughout the day. However twice daily during London trading hours there is a fix which provides reference gold prices for the day's trading. One of the fixes, in the morning (London time), is the LBMA Gold Price AM. The morning session of the fix starts at 10.30 am (London time) and the afternoon session of the fix starts at 3.00 p.m. (London time). The Sub-Fund will seek to track the LBMA Gold Price AM. This means that the reference price for Unitholders will be the price determined in London the previous Business Day and this price will not be updated during the trading hours of the SEHK. The lack of real time valuation of Bullion could mean that Units may trade at a premium or discount to Net Asset Value or that the Net Asset Value per Unit may not reflect movements in the OTC market price for Bullion.

Reliance on Market Makers risk. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units of the Sub-Fund. Nevertheless, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Units. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that the Market Maker gives not less than 3 months' notice prior to terminating market making arrangement. It is possible that there is only one Market Maker to the Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Trading risk. The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

In addition, under extreme market conditions, the trading price of the Units may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Units may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Units may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 24 November 2026



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